RICHTERSVELD
MUNICIPALITY

MUNISIPALITEIT
RICHTERSVELD
MUNICIPALITY

Die Richtersveld leuse is:
!Ghâi //Khoredi
Dit beteken: "Strewe na sukses" in Nama

FINANCIAL STATEMENTS

30 JUNE 2014

RICHTERSVELD MUNICIPALITY

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RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

GENERAL INFORMATION

NATURE OF BUSINESS

Richtersveld Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Richtersveld Municipality includes the areas of Port Nolloth, Eksteensfontein, Kubous, Alexander Bay, Sandrift and Lekkersing.

MUNICIPAL MANAGER

DA Farmer

CHIEF FINANCIAL OFFICER

IG Valentein

REGISTERED OFFICE

Private Bag X113
PORT NOLLOTH
8280

AUDITORS

Auditor-General
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

First National Bank

ATTORNEYS

Tobie Kotze & Van Sitterts
Schreuders

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations
Municipal Budget and Reporting Regulations

RICHTERSVELD MUNICIPALITY

MEMBERS OF THE RICHTERSVELD MUNICIPALITY

WARD	COUNCILLOR
1	WJP Links
2	A Jansen
3	G Beukes
4	LR Ambrosini
Proportional	EN Hausiku
Proportional	CF de Lange Richter
Proportional	T Swartbooi
Proportional	J Pretorius (resign 12/04/14)
Proportional	R Jonker (elect 01/05/14)

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 4 to 95 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

DA Farmer
Municipal Manager

Date

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

	Notes	2014 R	2013 R
NET ASSETS AND LIABILITIES			
Net Assets		**149 641 191**	**150 238 678**
Capital Replacement Reserve	**2**	1 003 233	1 103 661
Housing Development Fund	**2**	633 707	692 572
Accumulated Surplus/(Deficit)		148 004 251	148 442 446
Non-Current Liabilities		**10 605 174**	**11 682 483**
Long-term Liabilities	**3**	1 032 919	2 595 300
Non-current Provisions	**4**	6 385 249	5 943 427
Non-current Employee Benefits	**5**	3 187 007	3 143 756
Current Liabilities		**12 905 551**	**13 767 758**
Consumer Deposits	**6**	819 977	762 929
Current Employee Benefits	**7**	2 132 867	1 796 942
Payables from exchange transactions	**8**	6 001 241	7 812 731
Unspent Conditional Government Grants and Receipts	**9**	2 879 143	2 450 908
Current Portion of Long-term Liabilities	**3**	1 072 323	944 248
Total Net Assets and Liabilities		**173 151 917**	**175 688 919**
ASSETS			
Non-Current Assets		**163 458 902**	**160 467 285**
Property, Plant and Equipment	**12**	115 359 363	112 660 600
Investment Property	**13**	47 481 717	47 485 172
Intangible Assets	**14**	423 302	116 238
Long-term Receivables	**15**	194 519	205 276
Current Assets		**9 693 015**	**15 221 634**
Inventory	**16**	148 607	95 308
Receivables from exchange transactions	**17**	1 385 237	1 762 780
Receivables from non-exchange transactions	**18**	211 425	546 365
Unpaid Conditional Government Grants and Receipts	**9**	1 091 527	-
Operating Lease Asset	**19.1**	11 786	14 753
Taxes	**10.1**	256 578	2 395 467
Current Portion of Long-term Receivables	**15**	10 814	9 513
Cash and Cash Equivalents	**20.1**	6 577 042	10 397 450
Total Assets		**173 151 917**	**175 688 919**

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 R	2013 R
REVENUE			
Revenue from Non-exchange Transactions		**40 882 125**	**44 846 735**
Taxation Revenue		**7 932 459**	**7 101 506**
Property Rates	**21**	7 932 459	7 101 506
Transfer Revenue		**32 935 163**	**37 574 113**
Government Grants and Subsidies	**22**	32 694 690	37 565 593
Public Contributions and Donations	**23**	240 473	8 520
Other Revenue		**14 503**	**171 116**
Fines		8 347	25 260
Actuarial Gains	**5**	6 156	145 856
Revenue from Exchange Transactions		**24 208 523**	**24 267 699**
Property Rates - penalties imposed and collection charges		757 704	634 006
Service Charges	**24**	18 011 054	16 765 647
Rental of Facilities and Equipment	**25**	1 925 364	1 545 194
Interest Earned - external investments	**26**	359 693	652 812
Interest Earned - outstanding receivables	**27**	1 735 139	1 604 289
Licences and Permits		27 702	108 900
Income for Agency Services		383 514	368 851
Other Income	**28**	1 008 354	2 588 000
Total Revenue		**65 090 648**	**69 114 435**
EXPENDITURE			
Employee related costs	**29**	(17 122 551)	(15 678 708)
Remuneration of Councillors	**30**	(1 970 165)	(1 980 882)
Debt Impairment	**31**	(5 561 476)	(5 566 092)
Depreciation and Amortisation	**32**	(4 529 357)	(4 421 622)
Repairs and Maintenance		(1 300 317)	(1 248 932)
Unamortised Discount - Interest		(60 333)	(103 499)
Actuarial Losses	**5**	(20 478)	(54 452)
Finance Costs	**33**	(946 778)	(1 041 492)
Bulk Purchases	**34**	(9 420 897)	(8 294 689)
Contracted Services		(490 946)	(514 336)
Grants and Subsidies Paid		(5 000)	-
Other Operating Grant Expenditure	**35**	(17 198 795)	(13 435 331)
General Expenses	**36**	(7 170 404)	(6 852 220)
Total Expenditure		**(65 797 498)**	**(59 192 255)**
Operating Surplus for the Year		**(706 850)**	9 922 179
Gains/(Loss) on Sale of Assets	**37**	109 363	-
(Impairment loss)/Reversal of impairment loss	**38**	-	(706 205)
NET SURPLUS/(DEFICIT) FOR THE YEAR		**(597 487)**	**9 215 974**

RICHTERSVELD MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Capital Replacement Reserve	Housing Development Fund	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
Balance at 1 July 2012	**1 322 549**	**715 664**	**138 128 806**	**140 167 019**
Correction of Error - Note 39.11	-	-	855 685	855 685
Restated balance	1 322 549	715 664	138 984 491	141 022 704
Net Surplus/(Deficit) for the year	-	-	9 215 974	9 215 974
Net Surplus/(Deficit) previously reported	-	-	8 938 555	8 938 555
Effects of Correction of Errors - Note 39.12	-	-	277 420	277 420
Transfer to/from CRR	303 535	-	(303 535)	-
Property, Plant and Equipment purchased	(522 423)	-	522 423	-
Transfer to Housing Development Fund	-	(23 092)	23 092	-
Restated balance at 30 June 2013	**1 103 661**	**692 572**	**148 442 445**	**150 238 678**
Net Surplus/(Deficit) for the year	-	-	(597 487)	(597 487)
Transfer to/from CRR	682 496	-	(682 496)	-
Property, Plant and Equipment purchased	(782 924)	-	782 924	-
Transfer to Housing Development Fund	-	(58 865)	58 865	-
Balance at 30 June 2014	**1 003 233**	**633 708**	**148 004 251**	**149 641 191**

RICHTERSVELD MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 R	2013 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		6 739 585	5 793 079
Sale of goods and services		16 824 141	15 016 989
Grants		32 031 397	30 158 364
Investment Income		359 693	652 812
Other receipts		3 677 403	4 160 170
Cash payments			
Employee costs		(18 984 854)	(17 417 666)
Suppliers		(35 318 590)	(26 862 122)
Finance costs		(322 025)	(469 623)
Net Cash from Operating Activities	**40**	**5 006 750**	**11 032 003**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(6 792 358)	(15 724 514)
Proceeds on Disposal of Fixed Assets		(165 241)	-
(Increase)/Decrease in Intangible Assets		(384 371)	(14 790)
(Increase)/Decrease in Long-term Receivables		9 455	8 677
Net Cash from Investing Activities		**(7 332 514)**	**(15 730 627)**
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		-	74 854
Loans repaid		(1 494 640)	(1 426 885)
Net Cash from Financing Activities		**(1 494 640)**	**(1 352 030)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3 820 404)	(6 050 654)
Cash and Cash Equivalents at the beginning of the year		10 397 450	16 448 103
Cash and Cash Equivalents at the end of the year	**41**	6 577 042	10 397 450
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(3 820 408)**	**(6 050 653)**

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2014	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
ASSETS									
Current Assets									
Cash		446 448	(235 268)	211 180	-	-	211 180	270 368	28.03%
Call Investment Deposits		15 956 967	(15 565 696)	391 271	-	-	391 271	6 306 674	1511.84%
Consumer Debtors		4 124 438	7 283 465	11 407 903	-	-	11 407 903	1 539 971	-86.50%
Other Debtors		288 669	1 590 518	1 879 187	-	-	1 879 187	325 054	-82.70%
Current Portion of long-term receivables		237 520	(78 172)	159 348	-	-	159 348	10 814	-93.21%
Inventory		343 057	(184 767)	158 290	-	-	158 290	148 607	-6.12%
Total Current Assets	**45.2.1**	21 397 099	(7 189 920)	14 207 179	-	-	14 207 179	8 601 488	-39.46%
Non-Current Assets									
Long-term receivables		224 287	(6 816)	217 471	-	-	217 471	194 519	-10.55%
Investments			-	-	-	-	-	-	
Investment Property		40 922 500	9 011 669	49 934 169	-	-	49 934 169	47 481 717	-4.91%
Investment in Associates			-	-	-	-	-	-	
Property, Plant and Equipment		111 938 089	1 931 213	113 869 302	-	-	113 869 302	115 359 363	1.31%
Agricultural Assets			-	-	-	-	-		
Biological Assets			-	-	-	-	-	-	
Intangible Assets		225 856	(105 205)	120 651	-	-	120 651	423 302	250.85%
Other Non-Current Assets			-	-	-	-	-	-	
Total Non-Current Assets	**45.2.2**	153 310 732	10 830 861	164 141 593	-	-	164 141 593	163 458 902	-0.42%
TOTAL ASSETS		174 707 831	3 640 941	178 348 772	-	-	178 348 772	172 060 390	-3.53%
LIABILITIES									
Current Liabilities									
Bank Overdraft			-	-	-	-	-	-	
Borrowing		1 150 000	-	1 150 000	-	-	1 150 000	1 072 323	-6.75%
Consumer Deposits		1 401 003	153 557	1 554 560	-	-	1 554 560	819 977	-47.25%
Trade and Other Payables		5 643 767	(133 375)	5 510 392	-	-	5 510 392	7 788 857	41.35%
Provisions		10 890 577	136 741	11 027 318	-	-	11 027 318	2 132 867	-80.66%
Total Current Liabilities	**45.2.3**	19 085 347	156 923	19 242 270	-	-	19 242 270	11 814 024	-38.60%
Non-Current Liabilities									
Borrowing		2 125 941	(570 100)	1 555 841	-	-	1 555 841	1 032 919	-33.61%
Provisions		10 890 577	(1 511 549)	9 379 028	-	-	9 379 028	9 572 256	2.06%
Total Non-Current Liabilities	**45.2.4**	13 016 518	(2 081 649)	10 934 869	-	-	10 934 869	10 605 174	-3.02%
TOTAL LIABILITIES		32 101 865	(1 924 726)	30 177 139	-	-	30 177 139	22 419 198	-25.71%
NET ASSETS									
Accumulated Surplus/(Deficit)		140 748 453	6 375 353	147 123 806	-	-	147 123 806	148 004 251	0.60%
Reserves		1 857 513	(809 686)	1 047 827	-	-	1 047 827	1 636 940	56.22%
Minorities' Interests		-	-	-	-	-	-		
TOTAL NET ASSETS	**45.2.5**	142 605 966	5 565 667	148 171 633	-	-	148 171 633	149 641 191	0.99%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2014	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
REVENUE									
Property Rates		8 367 573	(465 036)	7 902 537	-	-	7 902 537	7 932 459	0.38%
Property Rates - Penalties & Collection Charges		687 951	123 546	811 497	-	-	811 497	757 704	-6.63%
Service Charges - Electricity Revenue		9 053 240	(805 164)	8 248 076	-	-	8 248 076	7 517 809	-8.85%
Service Charges - Water Revenue		3 846 836	1 271 435	5 118 271	-	-	5 118 271	4 508 044	-11.92%
Service Charges - Sanitation Revenue		1 897 004	(218 744)	1 678 260	-	-	1 678 260	1 467 833	-12.54%
Service Charges - Refuse Revenue		1 828 819	20 439	1 849 258	-	-	1 849 258	1 759 793	-4.84%
Service Charges - Other Revenue		2 796 465	(270 092)	2 526 373	-	-	2 526 373	2 757 575	9.15%
Rental of Facilities and Equipment		1 731 654	291 543	2 023 197	-	-	2 023 197	1 925 364	-4.84%
Interest Earned - External Investments		744 376	(395 998)	348 378	-	-	348 378	359 693	3.25%
Interest Earned - Outstanding Debtors		1 833 374	(18 341)	1 815 033	-	-	1 815 033	1 735 139	-4.40%
Dividends Received		-	-	-	-	-	-	-	
Fines		22 018	(12 021)	9 997	-	-	9 997	8 347	-16.50%
Licences and Permits		146 947	(146 447)	500	-	-	500	27 702	5440.44%
Agency Services		222 225	75 317	297 542	-	-	297 542	383 514	28.89%
Transfers Recognised - Operational		15 592 461	(829 961)	14 762 500	-	-	14 762 500	27 161 410	83.99%
Other Revenue		1 804 102	(662 546)	1 141 556	-	-	1 141 556	1 014 510	-11.13%
Gains on Disposal of PPE		-	71 932	71 932	-	-	71 932	109 363	52.04%
Total Revenue (excluding capital transfers and contributions)	**45.2.6**	50 575 045	(1 970 138)	48 604 907	-	-	48 604 907	59 426 258	22.26%
EXPENDITURE									
Employee Related Costs		17 208 115	159 810	17 367 925	-	-	17 367 925	17 143 029	-1.29%
Remuneration of Councillors		2 122 559	(82 670)	2 039 889	-	-	2 039 889	1 970 165	-3.42%
Debt Impairment		5 837 465	(5 337 465)	500 000	-	-	500 000	5 561 476	1012.30%
Depreciation and Asset Impairment		-	5 053 500	5 053 500	-	-	5 053 500	4 529 357	-10.37%
Finance Charges		346 433	(132 579)	213 854	-	-	213 854	946 778	342.72%
Bulk Purchases		9 146 464	737 903	9 884 367	-	-	9 884 367	9 420 897	-4.69%
Other Materials			-	-	-	-	-	-	
Contracted Services		671 219	(242 285)	428 934	-	-	428 934	490 946	14.46%
Transfers and Grants		19 638 379	12 577 562	32 215 941	-	-	32 215 941	-	-100.00%
Other Expenditure		11 098 783	(626 300)	10 472 483	-	-	10 472 483	25 734 850	145.74%
Loss on Disposal of PPE			-	-	-	-	-	-	
Total Expenditure	**45.2.7**	66 069 417	12 107 476	78 176 893	-	-	78 176 893	65 797 498	-15.84%
Surplus/(Deficit)		(15 494 372)	(14 077 614)	(29 571 986)	-	-	(29 571 986)	(6 371 240)	-78.46%
Transfers Recognised - Capital		18 192 000	6 120 218	24 312 218	-	-	24 312 218	5 533 280	-77.24%
Contributions Recognised - Capital		-	-	-	-	-	-	240 473	100.00%
Contributed Assets		-	-	-	-	-	-	-	
Surplus/(Deficit) after Capital Transfers & Contributions		2 697 628	(7 957 396)	(5 259 768)	-	-	(5 259 768)	(597 487)	-88.64%
Taxation		-	-	-	-	-	-	-	
Surplus/(Deficit) after Taxation		2 697 628	(7 957 396)	(5 259 768)	-	-	(5 259 768)	(597 487)	-88.64%
Attributable to Minorities		-	-	-	-	-	-	-	
Surplus/(Deficit) Attributable to Municipality		2 697 628	(7 957 396)	(5 259 768)	-	-	(5 259 768)	(597 487)	-88.64%
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	
Surplus/(Deficit) for the year		2 697 628	(7 957 396)	(5 259 768)	-	-	(5 259 768)	(597 487)	-88.64%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2014	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other		34 216 000	(69 988 000)	(35 772 000)	-	-	(35 772 000)	27 241 129	-176.15%
Government - Operating		14 592 000	(26 419 000)	(11 827 000)	-	-	(11 827 000)	26 498 117	-324.05%
Government - Capital		11 120 000	(11 120 000)	-	-	-	-	5 533 280	100.00%
Interest		744 000	(744 000)	-	-	-	-	359 693	100.00%
Dividends		-	-	-	-	-	-	-	
Payments									
Suppliers and Employees		(45 600 000)	87 014 000	41 414 000	-	-	41 414 000	(54 303 444)	-231.12%
Finance Charges		(346 000)	358 000	12 000	-	-	12 000	(322 025)	-2783.54%
Transfers and Grants		(11 472 000)	10 542 000	(930 000)	-	-	(930 000)	-	-100.00%
Net Cash from/(used) Operating Activities	**45.2.8**	3 254 000	(10 357 000)	(7 103 000)	-	-	(7 103 000)	5 006 750	-170.49%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-	-	-	-	-	-	(165 241)	100.00%
Decrease/(Increase) in Non-Current Debtors		-	-	-	-	-	-		
Decrease/(Increase) in Other Non-Current Receivables		-	-	-	-	-	-	9 455	100.00%
Decrease/(Increase) in Non-Current Investments		-	-	-	-	-	-	-	
Payments									
Capital Assets		(1 150 000)	1 865 000	715 000	-	-	715 000	(7 176 729)	-1103.74%
Net Cash from/(used) Investing Activities	**45.2.9**	(1 150 000)	1 865 000	715 000	-	-	715 000	(7 332 514)	-1125.53%
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
Short Term Loans		-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	
Increase/(Decrease) in Consumer Deposits		644 226	(644 226)	-	-	-	-	-	
Payments									
Repayment of Borrowing		(2 126 000)	9 294 000	7 168 000	-	-	7 168 000	(1 494 640)	-120.85%
Net Cash from/(used) Financing Activities	**45.2.10**	(1 481 774)	8 649 774	7 168 000	-	-	7 168 000	(1 494 640)	-120.85%
NET INCREASE/(DECREASE) IN CASH HELD		622 226	157 774	780 000	-	-	780 000	(3 820 404)	-589.80%
Cash and Cash Equivalents at the year begin:		15 947 887	(15 689 000)	258 887	-	-	258 887	10 397 450	3916.21%
Cash and Cash Equivalents at the year end:		16 570 113	(15 531 226)	1 038 887	-	-	1 038 887	6 577 046	533.09%

INSERT ACCOUNTING POLICY

Separate document see pages 11 - 49

		2014 R	2013 R
2.	**NET ASSET RESERVES**		
	RESERVES	1 636 940	1 796 233
	Capital Replacement Reserve	1 003 233	1 103 661
	Housing Development Fund	633 707	692 572
	Total Net Asset Reserve and Liabilities	**1 636 940**	**1 796 233**

2.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

2.2 The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.

3.	**LONG TERM LIABILITIES**		
	Annuity Loans - At amortised cost	1 041 149	1 907 602
	Capitalised Lease Liability - At amortised cost	1 097 692	1 725 880
		2 138 841	**3 633 482**
	Less: Current Portion transferred to Current Liabilities	**(1 072 323)**	**(944 248)**
	Annuity Loans - At amortised cost	(617 487)	(866 302)
	Capitalised Lease Liability - At amortised cost	(454 835)	(77 946)
		1 066 519	**2 689 234**
	Plus: Unamortised charges on loans	**(33 600)**	**(93 933)**
	Balance 1 July	(93 933)	(197 433)
	Adjustment for the period	60 333	103 499
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	**1 032 919**	**2 595 300**

3.1 The obligations under finance leases are scheduled below:

	Minimum payments	
Amounts payable under finance leases:		
Payable within one year	572 854	806 158
Payable within two to five years	710 054	1 273 536
Payable after five years	-	-
	1 282 908	2 079 694
Less: Future finance obligations	(185 215)	(353 814)
Present value of finance lease obligations	**1 097 693**	**1 725 880**

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Nashua	Copiers	7% - 35%	0%	5 Years	30/04/2017
Nashua Mobile	3G Dongles	9%	0%	2 Years	30/09/2014
MTN	Samsung Tablets	9%	0%	2 Years	30/09/2014
Wesbank Corporate	Vehicles	10% - 13%	0%	5 Years	31/03/2017

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Hire Purchases and Leases are secured by property, plant and equipment - Note 12

4.	**NON-CURRENT PROVISIONS**		
	Provision for Rehabilitation of Landfill-sites	6 385 249	5 943 427
	Total Non-current Provisions	**6 385 249**	**5 943 427**

		2014 R	2013 R
4.1	***Landfill Sites***		
	Balance 1 July	5 943 427	5 607 362
	Contribution for the year	361 429	336 420
	Change in Provision for Rehabilitation Cost	80 393	(355)
	Total provision 30 June	**6 385 249**	**5 943 427**
	Less: Transfer of Current Portion to Current Provisions	-	-
	Balance 30 June	**6 385 249**	**5 943 427**

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows

	Port Nolloth	Kuboes	Eksteensfontein	Lekkersing
Area (m^2)	18 700	670	670	20 973
Rehabilitation volume (m^3)	28 000	500	500	29 700
Fence (m)	-	240	240	710
Cost of fence (Rand)	-	123 596	123 596	118 446
Site Clearance (Rand)	629 216	16 854	16 854	22 472
Excavation cost (Rand)	3 314 620	153 933	153 933	224 720
Filling (Rand)	138 376	3 371	3 371	4 270
Preliminary and general (Rand)	612 332	44 663	44 663	55 486
Fees and expenses (Rand)	469 454	34 242	34 242	42 539

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

Location	Estimated decommission date		
Port Nolloth	2021	7 764 744	8 094 807
Kuboes	2018	475 523	475 523
Eksteensfontein	2018	475 523	475 523
Lekkersing	2021	703 599	703 599
		9 419 389	**9 749 452**

5.	**NON-CURRENT EMPLOYEE BENEFITS**		
	Provision for Post Retirement Health Care Benefits	2 360 130	2 277 983
	Provision for Long Service Awards	826 877	865 773
	Total Non-current Employee Benefits	**3 187 007**	**3 143 756**
	Post Retirement Health Care Benefits		
	Balance 1 July	2 406 527	2 537 999
	Contribution for the year	234 773	190 941
	Expenditure for the year	(134 518)	(176 557)
	Actuarial Loss/(Gain)	(6 156)	(145 856)
	Total provision 30 June	**2 500 626**	**2 406 527**
	Less: Transfer of Current Portion to Current Provisions - Note 7	(140 496)	(128 544)
	Balance 30 June	**2 360 130**	**2 277 983**

	2014 R	2013 R
Long Service Awards		
Balance 1 July	939 948	807 942
Contribution for the year	150 504	164 006
Expenditure for the year	(62 343)	(86 452)
Actuarial Loss/(Gain)	20 478	54 452
Total provision 30 June	**1 048 587**	**939 948**
Less: Transfer of Current Portion to Current Provisions - Note 7	(221 710)	(74 175)
Balance 30 June	**826 877**	**865 773**

5.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	1	2
Continuation members (e.g. Retirees, widows, orphans)	3	3
Total Members	**4**	**5**

The liability in respect of past service has been estimated to be as follows:

In-service members	768 995	755 434
Continuation members	1 731 631	1 651 093
Total Liability	**2 500 626**	**2 406 527**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R	2011 R	2010 R
In-service members	973 461	827 722	622 119
Continuation members	1 564 538	1 435 756	1 458 483
Total Liability	2 537 999	2 263 478	2 080 602

The municipality makes monthly contributions for health care arrangements to the following medical aid scheme:

LA Health

The Current-service Cost for the ensuing year is estimated to be R42 350, whereas the Interest Cost for the next year is estimated to be R201 162.

Key actuarial assumptions used:	2014 %	2013 %
i) Rate of interest		
Discount rate	8.27%	8.21
Health Care Cost Inflation Rate	7.71%	7.59
Net Effective Discount Rate	0.53%	0.58

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 65 years (males) and 60 years (females).

	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 500 626	2 406 527
Fair value of plan assets	-	-
	2 500 626	2 406 527
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	**2 500 626**	**2 406 527**
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	2 406 527	2 537 999
Total expenses	100 255	14 384
Current service cost	42 328	4 784
Interest Cost	192 445	186 157
Benefits Paid	(134 518)	(176 557)
Actuarial (gains)/losses	(6 156)	(145 856)
Present value of fund obligation at the end of the year	2 500 626	2 406 527
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	-	-

Sensitivity Analysis on the Accrued Liability

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Assumption			
Central Assumptions	0.769	1.732	2.501

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation	1%	0.872	1.882	2.754	10%
Health care inflation	-1%	0.681	1.598	2.279	-9%
Post-retirement mortality	-1 year	0.799	1.813	2.612	4%
Average retirement age	-1 year	0.861	1.732	2.593	4%
Withdrawal Rate	-10%	0.692	1.732	2.424	-3%

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	49 300	215 200	264 500	13%
Health care inflation	-1%	36 500	172 900	209 400	-11%
Post-retirement mortality	-1 year	44 000	201 100	245 100	4%
Average retirement age	-1 year	47 500	199 900	247 400	5%
Withdrawal Rate	-50%	43 700	194 900	238 600	2%

	2014 Rm	2013 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	2.501	2.407
Assets: Gain / (loss)		-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 Rm	2011 Rm	2010 Rm
Liabilities: (Gain) / loss	2.263	2.081	1.937
Assets: Gain / (loss)	-	-	-

5.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 106 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R86 815 whereas the Interest Cost for the next year is estimated to be R72 863.

Key actuarial assumptions used:	2014 %	2013 %
i) Rate of interest		
Discount rate	7.75%	7.14
General Salary Inflation (long-term)	6.98%	6.74
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.72%	0.38

	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1 048 587	939 948
Fair value of plan assets	-	-
	1 048 587	939 948
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	**1 048 587**	**939 948**
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	939 948	807 942
Total expenses	88 161	77 554
Current service cost	85 956	114 714
Interest Cost	64 548	49 292
Benefits Paid	(62 343)	(86 452)
Actuarial (gains)/losses	20 478	54 452
Present value of fund obligation at the end of the year	**1 048 587**	**939 948**
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	**-**	**-**

Sensitivity Analysis on the Unfunded Accrued Liability

	Change	Liability (Rm)	% change
Assumption			
Central assumptions		1.049	
General salary inflation	1%	1.110	6%
General salary inflation	-1%	0.993	-5%
Average retirement age	-2 yrs	0.929	-11%
Average retirement age	2 yrs	1.177	12%
Withdrawal rates	-50%	1.212	16%

	2014 Rm	2013 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	1.049	0.939
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 Rm	2011 Rm	2010 Rm
Liabilities: (Gain) / loss	0.807	0.721	-
Assets: Gain / (loss)	-	-	-

The municipality performed their first actuarial valuation on 30 June 2011. Thus there are no experience adjustment figures available on or before 30 June 2011 to fully comply with GRAP 25.

	2014 R	2013 R

5.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 105,1% (30 June 2012 - 108,0%).

Contributions paid recognised in the Statement of Financial Performance	310 145	248 917

		2014 R	2013 R
	DEFINED CONTRIBUTION FUNDS		
	Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.		
	Contributions paid recognised in the Statement of Financial Performance		
	SAMWU National Provident Fund	1 325 866	1 256 157
		1 325 866	1 256 157
6.	**CONSUMER DEPOSITS**		
	Water and Electricity	819 977	762 929
	Total Consumer Deposits	**819 977**	**762 929**
	The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.		
7.	**CURRENT EMPLOYEE BENEFITS**		
	Performance Bonuses		-
	Staff Bonuses	523 060	501 873
	Staff Leave	1 247 601	1 092 349
	Current Portion of Non-Current Provisions	362 206	202 719
	Current Portion of Post Retirement Benefits - Note 5	140 496	128 544
	Current Portion of Long-Service Provisions - Note 5	221 710	74 175
	Total Provisions	**2 132 867**	**1 796 942**
	The movement in current provisions are reconciled as follows:		
7.1	***Staff Bonuses***		
	Balance at beginning of year	501 873	423 765
	Contribution to current portion	846 502	866 179
	Expenditure incurred	(825 315)	(788 070)
	Balance at end of year	**523 060**	**501 873**
	Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		
7.2	***Staff Leave***		
	Balance at beginning of year	1 092 349	829 066
	Contribution to current portion	234 284	302 273
	Expenditure incurred	(79 032)	(38 990)
	Balance at end of year	**1 247 601**	**1 092 349**
	Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		

		2014 R	2013 R
8.	**PAYABLES FROM EXCHANGE TRANSACTIONS**		
	Trade Payables	4 680 049	6 062 006
	Payments received in advance	442 488	281 186
	Retentions	605 735	1 020 081
	Other Creditors	5 231	149 879
	Deposits: Other	267 738	231 314
	Correction of Error - Note 39.1	-	68 266
	Total Trade Payables	**6 001 241**	**7 812 731**

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Building Rubble and Housing Deposits.

9.	**UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**		
	Unspent Grants	2 879 143	2 450 908
	National Government Grants	420 818	118 029
	Provincial Government Grants	2 457 627	2 332 181
	District Municipality	-	-
	Other Sources	698	698
	Less: Unpaid Grants	(1 091 527)	-
	National Government Grants	(1 091 527)	-
	Provincial Government Grants	-	-
	District Municipality	-	-
	Other Sources	-	-
	Total Conditional Grants and Receipts	**1 787 616**	**2 450 908**

See appendix "D" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

10.	**TAXES**		
10.1	VAT Payable	-	-
	Total Taxes	**-**	**-**
10.2	VAT Receivable	256 578	3 146 918
	Correction of Error - Note 39.2	-	(751 451)
	Total Taxes	**256 578**	**2 395 467**
10.3	**Net VAT Receivable/(Payable)**	**256 578**	**2 395 467**

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

11. SHORT-TERM LOANS

The Municipality has no short term loans.

		2014 R	2013 R
12.	**PROPERTY, PLANT AND EQUIPMENT**		

See attached sheet page 1

page 2

page 3

		2014 R	2013 R
12.3	**Assets pledged as security:**		
	Leased Property, Plant and Equipment of R1 632 714 (2013: R588 627 is secured for leases as set out in Note 3.		
13.	**INVESTMENT PROPERTY**		
	Net Carrying amount at 1 July	**47 485 172**	**47 488 937**
	Cost	47 757 784	50 009 819
	Correction of Error - Note 39.4	-	(2 435 695)
	Accumulated Depreciation	(75 651)	(71 886)
	Correction of Error - Note 39.4	-	183 660
	Accumulated Impairment Loss	(196 961)	-
	Correction of Error - Note 39.4	-	(196 961)
	Acquisitions	-	-
	Depreciation for the year	(3 455)	(3 765)
	Net Carrying amount at 30 June	**47 481 717**	**47 485 172**
	Cost	47 757 784	47 757 784
	Accumulated Depreciation	(79 106)	(75 651)
	Accumulated Impairment Loss	(196 961)	(196 961)
	There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
	There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
14.	**INTANGIBLE ASSETS**		
	Net Carrying amount at 1 July	**116 238**	**221 442**
	Cost	558 181	547 629
	Correction of Error - Note 39.5	-	(4 238)
	Accumulated Amortisation	(408 694)	(321 773)
	Correction of Error - Note 39.5	-	139 023
	Accumulated Impairment Loss	(33 249)	-
	Correction of Error - Note 39.5	-	(139 199)
	Acquisitions	384 371	14 790
	Amortisation	(77 306)	(65 188)
	Impairment Loss/ Reversal of Impairment Loss	-	(54 806)
	Net Carrying amount at 30 June	**423 302**	**116 238**
	Cost	942 551	558 181
	Accumulated Amortisation	(486 000)	(408 694)
	Accumulated Impairment Loss	(33 249)	(33 249)
	No intangible asset were assed having an indefinite useful life.		
	There are no internally generated intangible assets at reporting date.		
	There are no intangible assets whose title is restricted.		
	There age no intangible assets pledged as security for liabilities.		
	There are no contractual commitments for the acquisition of intangible assets.		
15.	**LONG TERM RECEIVABLES**		
	Housing Loans - At amortised cost	205 333	225 785
	Correction of Error - Note 39.6	-	(10 996)
		205 333	214 788
	Less: Current portion transferred to current receivables	(10 814)	(9 513)
	Total Long Term Receivables	**194 519**	**205 276**

		2014 R	2013 R
16.	**INVENTORY**		
	Maintenance Materials - At cost	143 448	22 826
	Water - At purification cost	5 158	10 962
	Correction of Error - Note 39.7	-	61 520
	Total Inventory	**148 607**	**95 308**

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

Inventory recognise as an expense during the year:

Maintenance Materials - At cost	137 255	482 900
	137 255	**482 900**

Materials written down due to losses as identified during the annual stores counts:

Maintenance Materials - At cost	32 941	177 668
	32 941	**177 668**

No inventory assets were pledged as security for liabilities.

17.	**RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Electricity	2 130 950	1 906 706
	Water	10 806 862	10 062 684
	Housing Rentals	223 175	212 222
	Refuse	7 922 764	7 257 567
	Sewerage	6 826 622	6 154 906
	Other Arrears	7 086 528	7 011 599
	Correction of Error - Note 39.8	-	367 520
	Total: Receivables from exchange transactions (before provision)	**34 996 902**	**32 973 204**
	Less: Provision for Debt Impairment	(33 611 665)	(31 210 426)
	Total: Receivables from exchange transactions (after provision)	**1 385 237**	**1 762 778**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	290 250	312 890
31 - 60 Days	71 103	91 868
61 - 90 Days	56 292	47 444
+ 90 Days	1 713 306	1 454 504
Total	**2 130 951**	**1 906 706**

(Water): Ageing

Current (0 - 30 days)	288 095	320 200
31 - 60 Days	222 592	227 432
61 - 90 Days	220 402	203 821
+ 90 Days	10 075 774	9 311 231
Total	**10 806 863**	**10 062 684**

	2014 R	2013 R
(Housing): Ageing		
Current (0 - 30 days)	1 303	49
31 - 60 Days	1 140	1 157
61 - 90 Days	1 140	1 157
+ 90 Days	219 592	209 859
Total	**223 175**	**212 222**
(Refuse): Ageing		
Current (0 - 30 days)	184 181	192 725
31 - 60 Days	159 538	147 903
61 - 90 Days	154 076	139 976
+ 90 Days	7 424 969	6 776 963
Total	**7 922 764**	**7 257 567**
(Sewerage): Ageing		
Current (0 - 30 days)	153 082	146 236
31 - 60 Days	132 652	118 636
61 - 90 Days	126 520	112 945
+ 90 Days	6 414 368	5 777 089
Total	**6 826 622**	**6 154 906**
(Other): Ageing		
Current (0 - 30 days)	416 008	275 387
31 - 60 Days	34 321	42 855
61 - 90 Days	35 366	44 680
+ 90 Days	6 600 833	6 648 677
Total	**7 086 528**	**7 011 599**
(Total): Ageing		
Current (0 - 30 days)	1 332 919	1 247 487
31 - 60 Days	621 346	629 851
61 - 90 Days	593 796	550 023
+ 90 Days	32 448 842	30 545 843
Total	**34 996 903**	**32 973 204**
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	31 210 426	27 218 819
Contribution to provision	3 356 641	3 593 143
VAT on provision	412 822	503 040
Bad Debts written off against provision	(1 368 224)	(104 576)
Reversal of provision	-	-
Balance at end of year	**33 611 665**	**31 210 426**
The total amount of this provision is R 33 611 665 and consist of:		
Services	28 532 183	24 551 020
Other Debtors	5 079 482	6 659 407
Total Provision for Debt Impairment on Receivables from exchange transactions	**33 611 665**	**31 210 426**
Ageing of amounts past due but not impaired:		
1 month past due	-	515 291
2+ months past due	-	-
	-	515 291

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

		2014 R	2013 R
18.	**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Taxes - Rates	11 934 927	10 035 612
	Other Receivables	56 690	202 847
	Correction of Error - Note 39.9	-	(65 475)
		11 991 618	10 172 984
	Less: Provision for Debt Impairment	(11 780 193)	(9 626 619)
	Total Receivables from non-exchange transactions	**211 425**	**546 365**

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

Current (0 - 30 days)	104 463	130 108
31 - 60 Days	103 891	98 298
61 - 90 Days	98 686	89 504
+ 90 Days	11 627 887	9 717 702
Total	**11 934 927**	**10 035 612**

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	9 626 619	7 685 789
Contribution to provision	2 204 835	1 972 949
Bad Debts written off against provision	(51 261)	(32 119)
Reversal of provision	-	-
Balance at end of year	**11 780 193**	**9 626 619**

The total amount of this provision is R11 780 193 and consist of:

Taxes	11 780 193	9 626 619
Other	-	-
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	**11 780 193**	**9 626 619**

Ageing of amounts past due but not impaired:

1 month past due	50 271	98 298
2+ months past due	-	180 586
	50 271	278 884

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

		2014 R	2013 R
19.	**OPERATING LEASE ARRANGEMENTS**		
19.1	**The Municipality as Lessor**		
	Operating Lease Asset	11 786	14 753
	Reconciliation		
	Balance at the beginning of the year	14 753	17 469
	Movement during the year	(2 967)	(2 717)
	Balance at the end of the year	**11 786**	**14 753**
	At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
	Up to 1 Year	38 453	35 213
	1 to 5 Years	192 594	176 368
	More than 5 Years	508 361	563 040
	Total Operating Lease Arrangements	**739 408**	**774 621**
	This operating lease income determined from contracts that have a specific condition income. Property is rent at market related tariffs with a annual increase of 9%. The operating lease agreement expires in 2026.		
20.	**BANK ACCOUNTS**		
20.1	**Cash and Cash Equivalents**		
	Current Accounts	269 988	1 039 289
	Call Investments Deposits	6 306 674	9 357 780
	Cash Floats	380	480
	Correction of Error - Note 39.10	-	(100)
	Total Cash and Cash Equivalents - Assets	**6 577 042**	**10 397 450**
	The municipality has the following bank accounts:		
	Current Accounts		
	First National Bank - Account Number 534 7183 1653 (Primary Bank Account):	269 988	1 039 289
		269 988	**1 039 289**

	2014 R	2013 R
Call Investment Deposits		
First National Bank - Account Number 620 2169 3587 (Vegetables Account):	-	1 605
First National Bank - Account Number 620 3227 5689 (MSP Water Meters Account):	-	336 901
First National Bank - Account Number 620 4518 7706 (Social/Aids Account):	-	49 669
First National Bank - Account Number 620 6266 9521 (Equitable Share Account):	1 056	2 117
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):	831 675	738 939
First National Bank - Account Number 620 7204 0555 (FMG Account):	48 555	30 153
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):	294 474	289 039
First National Bank - Account Number 620 9751 6979 (Flood Dam Kuboes Account):	50 882	236 363
First National Bank - Account Number 620 9751 7571 (CRR Account):	1 003 233	1 103 661
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):	25 667	25 432
First National Bank - Account Number 620 5079 2721 (EFT/DBSA Account):	573 787	78 687
First National Bank - Account Number 620 7643 7253 (Water Bulk Shand Account):	-	337 375
First National Bank - Account Number 621 3757 8433 (Projects Account):	1 834 210	372 841
First National Bank - Account Number 742 7763 6667 (Assets Financing Account):	430 784	409 675
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):	372 261	169 099
First National Bank - Account Number 622 3714 1099 (Library Account):	236 251	267 659
First National Bank - Account Number 622 7711 8313 (MIG Account):	-	3 141 028
First National Bank - Account Number 623 7083 3115 (Integrated National Electrification):	-	414 216
First National Bank - Account Number 623 6607 3840 (NC Harbour Grant):	-	1 353 323
First National Bank - Account Number 624 2665 8508 (EPWP):	603 838	-
	6 306 674	**9 357 780**
Details of current accounts are as follow:		
First National Bank - Account Number 534 7183 1653 (Primary Bank Account):		
Cash book balance at beginning of year	1 039 289	421 196
Cash book balance at end of year	269 988	1 039 289
Bank statement balance at beginning of year	987 600	330 905
Bank statement balance at end of year	191 105	987 600
First National Bank - Account Number 620 2169 3587 (Vegetables Account):		
Cash book balance at beginning of year	1 605	6 699
Cash book balance at end of year	-	1 605
Bank statement balance at beginning of year	1 605	6 699
Bank statement balance at end of year	-	1 605
First National Bank - Account Number 620 3227 5689 (MSP Water Meters Account):		
Cash book balance at beginning of year	336 901	420 538
Cash book balance at end of year	-	336 901
Bank statement balance at beginning of year	336 901	420 538
Bank statement balance at end of year	-	336 901
First National Bank - Account Number 620 4518 7706 (Social/Aids Account):		
Cash book balance at beginning of year	49 669	256 726
Cash book balance at end of year	-	49 669
Bank statement balance at beginning of year	49 669	256 726
Bank statement balance at end of year	-	49 669
First National Bank - Account Number 620 6266 9521 (Equitable Share Account):		
Cash book balance at beginning of year	2 117	4 062
Cash book balance at end of year	1 056	2 117
Bank statement balance at beginning of year	2 117	4 062
Bank statement balance at end of year	1 056	2 117

	2014 R	2013 R
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):		
Cash book balance at beginning of year	738 939	801 431
Cash book balance at end of year	831 675	738 939
Bank statement balance at beginning of year	738 939	801 431
Bank statement balance at end of year	831 675	738 939
First National Bank - Account Number 620 7204 0555 (FMG Account):		
Cash book balance at beginning of year	30 153	90 203
Cash book balance at end of year	48 555	30 153
Bank statement balance at beginning of year	30 153	90 203
Bank statement balance at end of year	48 555	30 153
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):		
Cash book balance at beginning of year	289 039	283 460
Cash book balance at end of year	294 474	289 039
Bank statement balance at beginning of year	289 039	283 460
Bank statement balance at end of year	294 474	289 039
First National Bank - Account Number 620 9751 6979 (Flood Dam Kuboes Account):		
Cash book balance at beginning of year	236 363	250 148
Cash book balance at end of year	50 882	236 363
Bank statement balance at beginning of year	236 363	250 148
Bank statement balance at end of year	50 882	236 363
First National Bank - Account Number 620 9751 7571 (CRR Account):		
Cash book balance at beginning of year	1 103 661	1 322 549
Cash book balance at end of year	1 003 233	1 103 661
Bank statement balance at beginning of year	1 103 661	1 322 549
Bank statement balance at end of year	1 003 233	1 103 661
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):		
Cash book balance at beginning of year	25 432	25 179
Cash book balance at end of year	25 667	25 432
Bank statement balance at beginning of year	25 432	25 179
Bank statement balance at end of year	25 667	25 432
First National Bank - Account Number 620 5079 2721 (EFT/DBSA Account):		
Cash book balance at beginning of year	78 687	2 439 384
Cash book balance at end of year	573 787	78 687
Bank statement balance at beginning of year	78 687	2 439 384
Bank statement balance at end of year	573 787	78 687
First National Bank - Account Number 620 7643 7253 (Water Bulk Shand Account):		
Cash book balance at beginning of year	337 375	337 410
Cash book balance at end of year	-	337 375
Bank statement balance at beginning of year	337 375	337 410
Bank statement balance at end of year	-	337 375
First National Bank - Account Number 621 3757 8433 (Projects Account):		
Cash book balance at beginning of year	372 841	367 704
Cash book balance at end of year	1 834 210	372 841
Bank statement balance at beginning of year	372 841	367 704
Bank statement balance at end of year	1 834 210	372 841

	2014 R	2013 R
First National Bank - Account Number 742 7763 6667 (Assets Financing Account):		
Cash book balance at beginning of year	409 675	390 126
Cash book balance at end of year	430 784	409 675
Bank statement balance at beginning of year	409 675	390 126
Bank statement balance at end of year	430 784	409 675
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):		
Cash book balance at beginning of year	169 099	298 511
Cash book balance at end of year	372 261	169 099
Bank statement balance at beginning of year	169 099	298 511
Bank statement balance at end of year	372 261	169 099
First National Bank - Account Number 622 3714 1099 (Library Account):		
Cash book balance at beginning of year	267 659	244 945
Cash book balance at end of year	236 251	267 659
Bank statement balance at beginning of year	267 659	244 945
Bank statement balance at end of year	236 251	267 659
First National Bank - Account Number 622 7711 8313 (MIG Account):		
Cash book balance at beginning of year	3 141 028	8 388 672
Cash book balance at end of year	-	3 141 028
Bank statement balance at beginning of year	3 141 028	8 388 672
Bank statement balance at end of year	1 000	3 141 028
First National Bank - Account Number 623 7083 3115 (Integrated National Electrification):		
Cash book balance at beginning of year	414 216	-
Cash book balance at end of year	-	414 216
Bank statement balance at beginning of year	414 216	-
Bank statement balance at end of year	-	414 216
First National Bank - Account Number 623 6607 3840 (NC Harbour Grant):		
Cash book balance at beginning of year	1 353 323	-
Cash book balance at end of year	-	1 353 323
Bank statement balance at beginning of year	1 353 323	-
Bank statement balance at end of year	-	1 353 323
First National Bank - Account Number 624 2665 8508 (EPWP):		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	603 838	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	603 838	-

21. PROPERTY RATES

Actual

Rateable Land and Buildings	7 932 459	7 166 981
Residential Property	5 457 905	5 872 893
Commercial Property	1 210 697	1 023 092
Industrial Property	934 193	39 732
Agricultural Purposes	230 117	101 377
State - National/ Provincial Services	99 548	129 887
Correction of Error - Note 39.12	-	(65 475)
Total Assessment Rates	**7 932 459**	**7 101 506**

	2014 R	2013 R
Valuations - 1 July 2013		
Rateable Land and Buildings	960 967 658	960 967 658
Residential Property	743 341 185	743 341 185
Commercial Property	103 422 043	103 422 043
Industrial Property	3 857 600	3 857 600
Agricultural Purposes	88 539 130	88 539 130
State - National/ Provincial Services	21 807 700	21 807 700
Total Assessment Rates	**960 967 658**	**960 967 658**

Valuations - 1 July 2013

	Building Clause Valuation	Site Valuation	Building Valuation	Total Valuation
Domestic	36 007 000	-	707 334 185	743 341 185
Commercial	178 000	-	103 244 043	103 422 043
Light Industrial	103 000	-	3 754 600	3 857 600
Agricultural/Rural	-	-	88 539 130	88 539 130
State	38 000	-	21 769 700	21 807 700
Total Property Valuations	**36 326 000**	**-**	**924 641 658**	**960 967 658**

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate

Residential	0.79801c/R	0.7458c/R
Commercial and Industrial	1.05909c/R	0.9898c/R
Government	0.79801c/R	0.7458c/R
Agriculture	0.12252c/R	0.1145c/R

Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential	- The first R25 000 on the valuation is exempted.
Indigents	- The first R75 000 on the valuation is exempted.
Pensioners	- 33,3%
Government -	- 20%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

22. GOVERNMENT GRANTS AND SUBSIDIES

Unconditional		
Equitable Share	11 210 000	13 362 000
Conditional	21 484 690	24 203 593
Grants and Donations	21 484 690	24 203 593
Subsidies	-	-
Total Government Grants and Subsidies	**32 694 690**	**37 565 593**
Government Grants and Subsidies - Operating	27 161 410	21 220 273
Government Grants and Subsidies - Capital	5 533 280	16 345 320
Total Government Grants and Subsidies	**32 694 690**	**37 565 593**

		2014 R	2013 R
	Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
	Equitable share		13 362 000
	Executive & Council	79 534	5 470 762
	Budget & Treasury	919 602	1 168 365
	Corporate Services	14 749 810	10 465 181
	Health	-	51 077
	Community & Social Services	1 176 686	1 338 104
	Housing	8 960 315	-
	Sport & Recreation	3	1 270 852
	Waste Water Management	1 608 912	-
	Road Transport	4 329 010	2 660 028
	Water	752 739	377 417
	Electricity	118 078	1 401 809
	Total Government Grants and Subsidies	**32 694 690**	**37 565 593**
22.1	**Equitable Share**		
	Opening balance	-	-
	Correction of Error	-	-
	Grants received	11 210 000	13 362 000
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(11 210 000)	(13 362 000)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
	The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
22.2	**Local Government Financial Management Grant (FMG)**		
	Opening balance	-	32 359
	Correction of Error	-	-
	Grants received	1 650 000	1 500 000
	Interest received	-	-
	Repaid to National Revenue Fund	-	(363 994)
	Conditions met - Operating	(1 352 417)	(1 042 607)
	Conditions met - Capital	(249 027)	(125 758)
	Conditions still to be met	48 556	-
	The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
22.3	**Municipal Systems Improvement Grant (MSIG)**		
	Opening balance	-	(2 706)
	Correction of Error	-	-
	Grants received	890 000	800 000
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(498 551)	(797 294)
	Conditions met - Capital	(19 188)	-
	Conditions still to be met	372 261	-
	The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		

		2014 R	2013 R
22.4	**Municipal Infrastructure Grant (MIG)**		
	Opening balance	-	7 907 672
	Correction of Error	-	-
	Grants received	5 192 000	8 628 000
	Interest received	-	-
	Repaid to National Revenue Fund	-	(2 120 006)
	Conditions met - Operating	(1 374 628)	-
	Conditions met - Capital	(4 908 899)	(14 415 666)
	Conditions still to be met	(1 091 527)	-
	The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
22.5	**Integrated National Electrification Grant**		
	Opening balance	118 078	-
	Correction of Error	-	-
	Grants received	-	1 200 000
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(118 078)	-
	Conditions met - Capital	-	(1 081 922)
	Conditions still to be met	-	118 078
	The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
22.6	**Sport Grant**		
	Opening balance	-	3 471
	Correction of Error	-	-
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(3 471)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
	The grant was used to buildt sport infrastructure.		
22.7	**Library Grant**		
	Opening balance	202 298	205 759
	Correction of Error	-	-
	Grants received	693 000	706 000
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(712 686)	(709 461)
	Conditions met - Capital	-	-
	Conditions still to be met	182 612	202 298
	The grant was used to finance library activities.		
22.8	**Accelerated Infrastructure Programme**		
	Opening balance	-	49
	Correction of Error	-	-
	Grants received	403 232	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(49)
	Conditions met - Capital	(356 166)	-
	Conditions still to be met	47 067	-
	The grant was used to facilitate cultural groups.		

		2014 R	2013 R
22.9	**Housing Grant**		
	Opening balance	372 841	366 689
	Correction of Error	-	-
	Grants received	10 386 677	-
	Interest received	32 487	7 166
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(8 960 315)	(1 015)
	Conditions met - Capital	-	-
	Conditions still to be met	1 831 690	372 841

The Housing grant was utilised for the development of erven and the erection of top structures.

22.10	**CoGTA Grant (Flood Damage Kuboes)**		
	Opening balance	185 263	250 147
	Correction of Error	-	-
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(134 644)	(64 884)
	Conditions met - Capital	-	-
	Conditions still to be met	50 619	185 263

The grant was used to perform maintenance in flood damage areas.

22.11	**CoGTA Grant (MSP Water meter)**		
	Opening balance	4 587	413 877
	Correction of Error	-	-
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(4 587)	(570)
	Conditions met - Capital	-	(408 720)
	Conditions still to be met	-	4 587

The grant was used to install water meters.

22.12	**CoGTA Grant (Sizamile Vegetable)**		
	Opening balance	1 583	1 583
	Correction of Error	-	-
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(1 583)	-
	Conditions met - Capital	-	-
	Conditions still to be met	-	1 583

The grant was used to establish vegetable gardens.

22.13	**CoGTA Grant (Water Bulk Supply - 8 Mile)**		
	Opening balance	-	41 169
	Correction of Error	-	-
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(41 169)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-

The grant was used to develop water infrastructure.

		2014 R	2013 R
22.14	**CoGTA Grant (Water Bulk Supply - Ninham Shand)**		
	Opening balance	261 930	336 720
	Correction of Error	-	-
	Grants received	-	584 838
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(261 930)	(346 374)
	Conditions met - Capital	-	(313 254)
	Conditions still to be met	-	261 930
	The grant was used to develop water infrastructure.		
22.15	**CoGTA Grant (Pula Nala)**		
	Opening balance	-	41 952
	Correction of Error	-	-
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(41 952)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
	The grant was used for job creation.		
22.16	**CoGTA Grant (Water Bulk Infrastructure)**		
	Opening balance	-	257 892
	Correction of Error	-	-
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(257 892)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
	The grant was used to develop water infrastructure.		
22.17	**Harbour Grant**		
	Opening balance	1 303 631	-
	Correction of Error	-	-
	Grants received	-	5 072 660
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(1 303 631)	(3 769 029)
	Conditions met - Capital	-	-
	Conditions still to be met	-	1 303 631
	The grant was used to upgrade the Port Nolloth harbour.		
22.18	**Namakwa District Municipality Grant**		
	Opening balance	-	-
	Correction of Error	-	-
	Grants received	574 001	679 698
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(574 001)	(679 698)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
	The grant was used for various projects identified by Namakwa District Municipality.		

		2014 R	2013 R
22.19	**NDFT Grant (CDW's)**		
	Opening balance	-	602
	Correction of Error	-	-
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(602)
	Conditions met - Capital	-	-
	Conditions still to be met	-	0
	The grant was used for various projects identified by Namakwaland Diamond Fund Trust.		
22.20	**De Beers**		
	Opening balance	698	-
	Correction of Error	-	-
	Grants received	-	102 001
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(101 303)
	Conditions met - Capital	-	-
	Conditions still to be met	698	698
	The grant was used for various projects identified by De Beers.		
22.21	**Alexcor Culfest Grant**		
	Opening balance	-	904
	Correction of Error	-	-
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(904)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
	The grant was used for heritage activities.		
22.22	**Expanded Public Works Programme**		
	Opening balance	-	-
	Correction of Error	-	-
	Grants received	1 000 000	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(654 360)	-
	Conditions met - Capital	-	-
	Conditions still to be met	345 640	-
	The grant was used for job creation.		
22.23	**Total Grants**		
	Opening balance	2 450 908	9 858 137
	Correction of Error	-	-
	Grants received	31 998 910	32 635 198
	Interest received	32 487	7 166
	Repaid to National Revenue Fund	-	(2 484 000)
	Conditions met - Operating	(27 161 410)	(21 220 273)
	Conditions met - Capital	(5 533 280)	(16 345 320)
	Conditions still to be met/(Grant expenditure to be recovered)	1 787 615	2 450 908
	Disclosed as follows:		
	Unspent Conditional Government Grants and Receipts	2 879 143	2 450 908
	Unpaid Conditional Government Grants and Receipts	(1 091 527)	-
	Total	**1 787 616**	**2 450 908**

		2014 R	2013 R
23.	**PUBLIC CONTRIBUTIONS AND DONATIONS**		
	Donations	240 473	8 520
	Total Public Contributions and Donations	**240 473**	**8 520**
24.	**SERVICE CHARGES**		
	Electricity	7 928 736	7 065 950
	Water	5 366 852	5 235 941
	Refuse Removal	2 526 975	2 383 697
	Sewerage and Sanitation Charges	2 188 490	2 078 535
	Correction of Error - Note 39.12	-	1 524
	Total Service Charges	**18 011 054**	**16 765 647**
25.	**RENTAL OF FACILITIES AND EQUIPMENT**		
	Rental of facilities	483 863	288 103
	Rental of equipment	2 160	3 350
	Other rentals	1 439 341	1 253 741
	Total Rental of Facilities and Equipment	**1 925 364**	**1 545 194**
26.	**INTEREST EARNED - EXTERNAL INVESTMENTS**		
	Bank	359 693	652 812
	Total Interest Earned - External Investments	**359 693**	**652 812**
27.	**INTEREST EARNED - OUTSTANDING RECEIVABLES**		
	Long-term Receivables	255	253
	Trade Receivables	1 734 883	1 604 037
	Total Interest Earned - Outstanding Receivables	**1 735 139**	**1 604 289**
28.	**OTHER INCOME**		
	Christmas Lights Festival	400 860	169 678
	Commission	17 320	14 460
	Grave Lots	6 990	6 313
	Grazing Fees	201 357	186 933
	Insurance claims	51 934	690
	Lost Books	575	688
	Other	297 604	1 825 767
	Photostats	15 307	11 870
	Posters	2 050	3 295
	Search Fees	4 783	5 146
	Surplus Cash	4	337
	Survey Costs	9 571	1 579
	Correction of Error - Note 39.12	-	361 244
	Total Other Income	**1 008 354**	**2 588 000**
29.	**EMPLOYEE RELATED COSTS**		
	Employee Related Costs - Salaries and Wages	12 291 299	11 168 545
	Employee Related Costs - Contributions for Medical Aids	429 438	347 581
	Employee Related Costs - Contributions for UIF and Pensions	1 692 514	1 572 767
	Travel, Motor Car, Accommodation, Subsistence and Other Allowances	593 667	484 907
	Housing Benefits and Allowances	93 753	109 064
	Overtime Payments	812 811	663 852
	Bonuses	846 502	866 179
	Provision for leave	234 284	302 273
	Contribution to provision - Long Service Awards - Note 5	85 956	114 714
	Contribution to provision - Post Retirement Medical - Note 5	42 328	4 784
	Correction of Error 39.12	-	44 043
	Total Employee Related Costs	**17 122 551**	**15 678 708**

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

		2014 R	2013 R
	REMUNERATION OF KEY MANAGEMENT PERSONNEL		
	Remuneration of the Municipal Manager - Mrs D Farmer		
	Annual Remuneration	372 789	203 538
	Travelling Allowance	112 594	62 475
	Other Allowances	116 835	84 525
	Bonus	31 066	-
	Back pay	4 309	-
	Contributions to UIF, Medical and Pension Funds	37 284	1 041
	Total	**674 877**	**351 579**
30.	**REMUNERATION OF COUNCILLORS**		
	AM Jansen - Mayor	624 332	624 332
	LR Ambrosini - Councillor	193 734	193 734
	G Beukes - Councillor	193 734	193 734
	CF Richter - Councillor	193 734	193 734
	E Hausiku - Councillor	193 734	193 734
	WJP Links - Councillor	193 734	193 734
	J Isaacs - Councillor	-	412
	T Swartbooi - Councillor	193 734	193 734
	J Pretorius - Councillor	151 140	193 734
	R Jonker - Councillor	32 289	-
	Total Councillors' Remuneration	**1 970 165**	**1 980 882**

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	453 345	151 115	19 872	-	624 332
Councillors	944 793	309 437	91 603	-	1 345 833
Total Councillors' Remuneration	**1 398 138**	**460 552**	**111 475**	**-**	**1 970 165**

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

.....
Signed: Municipal Manager

31.	**DEBT IMPAIRMENT**		
	Receivables from exchange transactions - Note 17	3 769 463	4 096 183
	Receivables from non-exchange transactions - Note 18	2 204 835	1 972 949
		5 974 298	6 069 132
	Less: VAT Portion on Debt Impairment	(412 822)	(503 040)
	Total Debt Impairment	**5 561 476**	**5 566 092**
32.	**DEPRECIATION AND AMORTISATION**		
	Property, plant and equipment	4 448 596	4 352 318
	Intangible assets	77 306	65 188
	Investment property carried at cost	3 455	3 765
	Correction of Error - Note 39.12	-	351
	Total Depreciation and Amortisation	**4 529 357**	**4 421 622**

		2014 R	2013 R
33.	**FINANCE COSTS**		
	Long-term Liabilities	322 025	465 768
	Non-current Provisions	361 429	336 420
	Non-current Employee Benefits	256 993	235 449
	Creditors	6 331	3 855
	Total Finance Costs	**946 778**	**1 041 492**
34.	**BULK PURCHASES**		
	Electricity	8 209 521	7 140 247
	Water	1 211 376	1 154 442
	Total Bulk Purchases	**9 420 897**	**8 294 689**
35.	**OTHER OPERATING GRANT EXPENDITURE**		
	Operating Grant Expenditure per Vote		
	Executive & Council	95 194	116 887
	Budget & Treasury	1 820 559	2 584 486
	Corporate Services	2 791 556	15 623
	Community & Social Services	721 929	711 123
	Housing	8 960 315	-
	Road Transport	654 360	6 304 411
	Water	1 717 329	2 197 289
	Electricity	437 553	1 505 511
	Total Operating Grant Expenditure	17 198 795	13 435 331
36.	**GENERAL EXPENSES**		
	Advertising	53 940	43 174
	Audit Fees	1 948 912	1 459 397
	Bank Charges	79 475	111 649
	Christmas Lights Festival	784 717	858 317
	Cleaning Materials	76 292	99 132
	Computer Licences	353 393	257 603
	Congress/Deputation Costs	4 000	4 000
	Entertainment	38 443	58 229
	Environmental Electricity Levy	291 447	319 193
	Fire Extinguishing Materials	-	6 195
	Fuel Vehicles	726 750	600 937
	Insurance	549 294	408 863
	Legal Fees	222 190	116 625
	Membership and Subscriptions	463 012	435 668
	New Connections	27 963	523
	Printing and Stationary	77 735	77 566
	Public Transport	7 300	9 500
	Railage	29 575	27 286
	Rental	283 983	185 526
	Telephone and Postage	372 900	368 837
	Travelling and Subsistence	430 699	786 455
	Website	9 246	4 739
	Other	339 136	577 510
	Correction of Error - Note 39.12	-	35 297
	Total General Expenses	**7 170 404**	**6 852 220**
37.	**GAIN/ (LOSS) ON SALE OF ASSETS**		
	Property, plant and equipment	109 363	-
	Total Gain/ (Loss) on Sale of Assets	**109 363**	**-**
38.	**(IMPAIRMENT LOSS)/ REVERSAL OF IMPAIRMENT LOSS**		
	Property, Plant and Equipment		
	Obsolete Property, Plant and Equipment with no economic value.	-	(651 399)
	Intangible Assets		
	Obsolete Intangible Assets with no economic value.	-	(54 806)
	Total (Impairment Loss)/ Reversal of Impairment Loss	**-**	**(706 205)**

		2014 R	2013 R
39.	**CORRECTION OF ERROR IN TERMS OF GRAP 3**		
	The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
39.1	**Payables from Exchange Transactions**		
	Balance previously reported	-	7 744 465
	Election Deposits recognised as Other Income - Note 8	-	(4 032)
	Tender Deposits recognised as Other Income - Note 8	-	(2 900)
	Clearing of Salary Suspense account - Note 8	-	(30 222)
	Recognise Sale of Pre-paid Electricity Boxes - Note 8	-	(15 785)
	Acting Allowances not recorded in prior year - Note 8	-	21 471
	Motor Vehicle Registration transactions recorded incorrectly in prior year - Note 8	-	1 703
	Correction of Unidentified Deposits - Note 8	-	400
	Back pay not recorded in prior year - Note 8	-	22 571
	Other Creditors not recognised in prior year - Note 8	-	75 059
	Restated Balance	**-**	**7 812 731**
	Correction of Other Creditors, Suspense Accounts and Deposits: Other.		
39.2	**Taxes**		
	Balance previously reported	-	3 146 918
	Correction of VAT Control Account - Note 10.2	-	(751 451)
	Restated Balance	**-**	**2 395 467**
	Correction of VAT Control Accounts.		
39.3	**Property, Plant and Equipment**		
	Balance previously reported	-	108 606 837
	Cost	-	5 045 072
	Community Assets recognised incorrectly in prior years - Note 12	-	109
	Infrastructure Assets recognised incorrectly in prior years - Note 12	-	886 003
	Land and Buildings recognised incorrectly in prior years - Note 12	-	2 449 268
	Lease Assets recognised incorrectly in prior years - Note 12	-	(278 221)
	Other Assets recognised incorrectly in prior years - Note 12	-	282 113
	Land not previously recognised - Note 12	-	1 705 800
	Accumulated Depreciation and Impairment Losses	-	(991 309)
	Community Assets - Accumulated Depreciation recognised incorrectly in prior years - Note 12	-	(6 883)
	Housing Rental Stock Assets - Accumulated Depreciation recognised incorrectly in prior years - Note 12	-	(0)
	Infrastructure Assets - Accumulated Depreciation recognised incorrectly in prior years - Note 12	-	(99 100)
	Infrastructure Assets - Accumulated Impairment Losses recognised incorrectly in prior years - Note 12	-	(28 779)
	Land and Buildings - Accumulated Depreciation recognised incorrectly in prior years - Note 12	-	2 925
	Lease Assets - Accumulated Depreciation recognised incorrectly in prior years - Note 12	-	(425 866)
	Other Assets - Accumulated Depreciation recognised incorrectly in prior years - Note 12	-	2 867 574
	Other Assets - Accumulated Impairment Losses recognised incorrectly in prior years - Note 12	-	(2 243 629)
	Impairment of Land not recognised in prior years - Note 12	-	(1 057 200)
	Other Assets - Backlog Depreciation - Note 12	-	(351)
	Restated Balance	**-**	**112 660 600**
	Correction of prior years' differences between Asset Register and General Ledger accounts.		

		2014 R	2013 R
39.4	**Investment Property**		
	Balance previously reported	-	49 934 168
	Cost	-	(2 435 695)
	Investment Properties recognised incorrectly in prior years - Note 13	-	(2 435 695)
	Accumulated Depreciation and Impairment Losses	-	(13 301)
	Accumulated Depreciation recognised incorrectly in prior years - Note 13	-	183 660
	Accumulated Impairment Losses recognised incorrectly in prior years - Note 13	-	(196 961)
	Restated Balance	**-**	**47 485 172**
	Correction of prior years' differences between Asset Register and General Ledger accounts.		
39.5	**Intangible Assets**		
	Balance previously reported	-	120 651
	Cost	-	(4 238)
	Intangible Assets recognised incorrectly in prior years - Note 14	-	(4 238)
	Accumulated Amortisation and Impairment Losses	-	(176)
	Accumulated Amortisation recognised incorrectly in prior years - Note 14	-	139 023
	Accumulated Impairment Losses recognised incorrectly in prior years - Note 14	-	(139 199)
	Restated Balance	**-**	**116 238**
	Correction of prior years' differences between Asset Register and General Ledger accounts.		
39.6	**Long-Term Receivables**		
	Balance previously reported	-	216 272
	Redemption of loan recognised incorrectly in prior years - Note 15	-	(10 996)
	Restated Balance	**-**	**205 276**
	Redemption of loan not recognised in prior year.		
39.7	**Inventory**		
	Balance previously reported	-	33 787
	Correction of differences identified during stock count in 2012/2013 - Note 16	-	20
	Correction of stock issued during 2012/2013 - Note 16	-	61 500
	Restated Balance	**-**	**95 308**
	Correction of inventory write-offs in prior year.		
39.8	**Receivables from Exchange Transactions**		
	Balance previously reported	-	1 395 260
	Correction of Debtors: Electricity Accounts - Note 17	-	11 429
	Correction of Debtors: Water Accounts - Note 17	-	(3 421)
	Correction of Debtors: Housing Accounts - Note 17	-	(270)
	Correction of Debtors: Refuse Accounts - Note 17	-	(3 416)
	Correction of Debtors: Sewerage Accounts - Note 17	-	(2 798)
	Correction of Debtors: Other Arrears Accounts - Note 17	-	365 996
	Restated Balance	**-**	**1 762 780**
	Correction of Consumer accounts.		
39.9	**Receivables from Non-Exchange Transactions**		
	Balance previously reported	-	611 840
	Correction of Debtors: Rates Accounts - Note 18	-	(65 475)
	Restated Balance	**-**	**546 365**
	Correction of Consumer accounts.		
39.10	**Cash and Cash Equivalents**		
	Balance previously reported	-	10 397 550
	Cash Floats recognised incorrectly in prior years - Note	-	(100)
	Restated Balance	**-**	**10 397 450**
	Correction of Cash Floats.		

		2014 R	2013 R
39.11	**Accumulated Surplus/(Deficit) - 1 July 2012**		
	Election Deposits recognised as Other Income - Note 39.1	-	4 032
	Tender Deposits recognised as Other Income - Note 39.1	-	2 900
	Community Assets recognised incorrectly in prior years - Note 39.3	-	109
	Infrastructure Assets recognised incorrectly in prior years - Note 39.3	-	886 003
	Land and Buildings recognised incorrectly in prior years - Note 39.3	-	2 449 268
	Lease Assets recognised incorrectly in prior years - Note 39.3	-	(278 221)
	Other Assets recognised incorrectly in prior years - Note 39.3	-	282 113
	Community Assets - Accumulated Depreciation recognised incorrectly in prior years - Note 39.3	-	(6 883)
	Housing Rental Stock Assets - Accumulated Depreciation recognised incorrectly in prior years - Note 39.3	-	(0)
	Infrastructure Assets - Accumulated Depreciation recognised incorrectly in prior years - Note 39.3	-	(99 100)
	Infrastructure Assets - Accumulated Impairment Losses recognised incorrectly in prior years - Note 39.3	-	(28 779)
	Land and Buildings - Accumulated Depreciation recognised incorrectly in prior years - Note 39.3	-	2 925
	Lease Assets - Accumulated Depreciation recognised incorrectly in prior years - Note 39.3	-	(425 866)
	Other Assets - Accumulated Depreciation recognised incorrectly in prior years - Note 39.3	-	2 867 574
	Other Assets - Accumulated Impairment Losses recognised incorrectly in prior years - Note 39.3	-	(2 243 629)
	Investment Properties recognised incorrectly in prior years - Note 39.4	-	(2 435 695)
	Investment Properties - Accumulated Depreciation recognised incorrectly in prior years - Note 39.4	-	183 660
	Investment Properties - Accumulated Impairment Losses recognised incorrectly in prior years - Note 39.4	-	(196 961)
	Intangible Assets recognised incorrectly in prior years - Note 39.5	-	(4 238)
	Intangible Assets - Accumulated Amortisation recognised incorrectly in prior years - Note 39.5	-	139 023
	Intangible Assets - Accumulated Impairment Losses recognised incorrectly in prior years - Note 39.5	-	(139 199)
	Land not previously recognised - Note 39.3	-	1 705 800
	Correction of Unidentified Deposits - Note 39.1	-	(400)
	Impairment of Land not recognised in prior years - Note 39.3	-	(1 057 200)
	Correction of VAT Control Account - Note 39.2	-	(751 451)
	Cash Floats recognised incorrectly in prior years - Note 39.10	-	(100)
	Total	**-**	**855 685**

39.12 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property taxes	**39.9**	7 166 981	(65 475)	7 101 506
Government Grants and Subsidies		37 565 593	-	37 565 593
Public Contributions and Donations		8 520	-	8 520
Contributed Property, Plant and Equipment		-	-	-
Fines		25 260	-	25 260
Third Party Payments		-	-	-
Actuarial Gains		145 856	-	145 856
Other Revenue from non-exchange transactions		-	-	-
Property Rates - penalties imposed and collection charges		634 006	-	634 006
Service Charges	**39.8**	16 764 123	1 524	16 765 647
Water Services Authority Contribution		-	-	-
Rental of Facilities and Equipment		1 545 194	-	1 545 194
Interest Earned - external investments		652 812	-	652 812
Interest Earned - outstanding receivables		1 604 289	-	1 604 289
Licences and Permits		108 900	-	108 900
Income for Agency Services	**39.1**	370 554	(1 703)	368 851
Other Income	**39.8**	2 226 756	361 244	2 588 000
Unamortised Discount - Interest		-	-	-
Total		68 818 845	295 590	69 114 435

	Note	Balance previously reported	Adjustments	Restated Balance
Expenditure				
Employee related costs	**39.1**	(15 634 666)	(44 043)	(15 678 708)
Remuneration of Councillors		(1 980 882)	-	(1 980 882)
Debt Impairment		(5 566 092)	-	(5 566 092)
Collection Costs		-	-	-
Depreciation and Amortisation	**39.3**	(4 421 272)	(351)	(4 421 622)
Repairs and Maintenance	**39.7**	(1 310 452)	61 520	(1 248 932)
Unamortised Discount - Interest		(103 499)	-	(103 499)
Actuarial Losses		(54 452)	-	(54 452)
Finance Costs		(1 041 492)	-	(1 041 492)
Bulk Purchases		(8 294 689)	-	(8 294 689)
Contracted Services		(514 336)	-	(514 336)
Grants and Subsidies Paid		-	-	-
Other Operating Grant Expenditure		(13 435 331)	-	(13 435 331)
General Expenses	**39.1**	(7 523 128)	(35 297)	(7 558 425)
Total		(59 880 290)	(18 170)	(59 898 460)
Net Surplus/(Deficit) for the year		8 938 555	277 420	9 215 974

40. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS

Surplus/(Deficit) for the year	(597 487)	9 215 974
Adjustments for:		
Depreciation and amortisation	4 529 357	4 421 622
Loss/(Gain) on disposal of property, plant and equipment	(109 363)	-
Impairment Loss/(Reversal of Impairment Loss)	-	706 205
Government Grants and Subsidies received	32 031 397	30 158 364
Government Grants and Subsidies recognised as revenue	(32 694 690)	(37 565 593)
Contribution to provisions – Non-Current Provisions	361 429	336 420
Contribution from/to provisions - Current Employee Benefits	1 080 786	1 168 452
Contribution from/to provisions - Non-Current Employee Benefits	188 416	-
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	20 478	91 938
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(6 156)	54 452
Contribution to provisions – Bad debt	5 974 298	(145 856)
Reversal of Provision for Bad debt	-	6 069 132
Bad debts written off	(1 419 485)	-
Unamortised Discounts - Interest Received	-	(136 695)
Unamortised Discounts - Interest Paid	60 333	-
Operating lease income accrued	2 967	103 499
Operating lease expenses accrued	-	2 717
Operating Surplus/(Deficit) before changes in working capital	9 422 280	14 480 632
Changes in working capital	(4 415 530)	(3 448 629)
Increase/(Decrease) in Consumer Deposits	57 048	46 341
Increase/(Decrease) in Trade and Other Payables	(1 811 489)	4 575 171
Increase/(Decrease) in Employee Benefits	(904 347)	(827 060)
Increase/(Decrease) in Taxes	2 138 889	(1 013 163)
(Increase)/Decrease in Inventory	(53 299)	(32 876)
(Increase)/Decrease in Trade Receivables from exchange transactions	(2 023 698)	(4 158 996)
(Increase)/Decrease in Other Receivables from non-exchange transactions	(1 818 634)	(2 038 045)
Cash generated/(absorbed) by operations	5 006 750	11 032 003

41. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Current Accounts - Note 20	269 988	1 039 289
Call Investments Deposits - Note 20	6 306 674	9 357 780
Cash Floats - Note 20	380	380
Total cash and cash equivalents	**6 577 042**	**10 397 450**

		2014 R	2013 R
42.	**RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**		
	Cash and Cash Equivalents - Note 41	6 577 042	10 397 450
	Less:	(3 512 850)	(3 143 480)
	Unspent Committed Conditional Grants - Note 9	(2 879 143)	(2 450 908)
	VAT - Note 10	-	-
	Cash Portion of Housing Development Fund - Note 2	(633 707)	(692 572)
	Net cash resources available for internal distribution	3 064 192	7 253 969
	Allocated to:		
	Capital Replacement Reserve	(1 003 233)	(1 103 661)
	Resources available for working capital requirements	**2 060 959**	**6 150 309**
43.	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term Liabilities - Note 3	2 138 841	3 633 482
	Used to finance property, plant and equipment - at cost	(2 138 841)	(3 633 482)
		-	-
	Cash set aside for the repayment of long-term liabilities		-
	Cash invested for repayment of long-term liabilities	**-**	**-**

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

44. BUDGET COMPARISONS

		2014 Actual R	2014 Final Budget R	2014 Variance R	2014 Variance %
44.1	**Operational Budget by Standard Classification**				
	Revenue - Standard				
	Governance and Administration				
	Executive and council	509 907	450 829	59 078	13.10%
	Budget and Treasury Office	9 580 887	8 881 527	699 360	7.87%
	Corporate Services	17 770 915	19 039 877	(1 268 962)	-6.66%
	Community and Public Safety				
	Community and Social Services	1 458 379	54 233	1 404 146	2589.10%
	Sport and Recreation	1 521 277	1 715 620	(194 343)	-11.33%
	Public Safety	-	-	-	
	Housing	8 975 110	8 133 893	841 217	10.34%
	Health	(3 908)	-	(3 908)	100.00%
	Economic and Environmental Services				
	Planning and Development	121 334	-	121 334	100.00%
	Road Transport	4 333 897	-	4 333 897	100.00%
	Environmental Protection	-	-	-	
	Trading Services				
	Electricity	8 354 409	8 748 603	(394 194)	-4.51%
	Water	6 163 930	13 291 760	(7 127 830)	-53.63%
	Waste Water Management	3 966 665	10 649 842	(6 683 177)	-62.75%
	Waste Management	2 441 053	2 695 205	(254 152)	-9.43%
	Other	-	-	-	
	Total Revenue	**65 193 855**	**73 661 389**	**(8 467 534)**	**-11.50%**

	2014 Actual R	2014 Budget R	2014 Variance R	2014 Variance %
Expenditure - Standard				
Governance and Administration				
Executive and council	(5 670 620)	(6 330 240)	659 620	-10.42%
Budget and Treasury Office	(7 696 354)	(3 078 827)	(4 617 527)	149.98%
Corporate Services	(14 018 437)	(15 155 072)	1 136 635	-7.50%
Community and Public Safety				
Community and Social Services	(1 438 228)	(1 549 074)	110 846	-7.16%
Sport and Recreation	(3 002 179)	(2 504 490)	(497 689)	19.87%
Public Safety	(217 247)	(46 010)	(171 237)	372.17%
Housing	(9 033 975)	(8 168 988)	(864 987)	10.59%
Health	(60 581)	(106 857)	46 276	-43.31%
Economic and Environmental Services				
Planning and Development	(307 173)	-	(307 173)	100.00%
Road Transport	(5 709 913)	(187 306)	(5 522 607)	2948.44%
Environmental Protection	-	-	-	
Trading Services				
Electricity	(10 088 515)	(12 567 172)	2 478 657	-19.72%
Water	(4 657 383)	(12 526 624)	7 869 241	-62.82%
Waste Water Management	(2 111 151)	(15 303 583)	13 192 432	-86.20%
Waste Management	(1 779 586)	(1 396 914)	(382 672)	27.39%
Other	-	-	-	
Total Expenditure	**(65 791 342)**	**(78 921 157)**	**13 129 815**	**-16.64%**
Surplus/(Deficit) for the year	**(597 487)**	**(5 259 768)**	**4 662 281**	**-88.64%**

Details of material variances

Refer to note 45 for explanations.

44.2 Capital Expenditure by Standard Classification

Governance and Administration				
Executive and council	-	-	-	
Budget and Treasury Office	-	66 000	(66 000)	-100.00%
Corporate Services	622 701	15 000	607 701	4051.34%
Community and Public Safety				
Community and Social Services	-	-	-	
Sport and Recreation	3 070	48 000	(44 930)	-93.60%
Public Safety	2 005	-	2 005	100.00%
Housing	-	-	-	
Health	-	-	-	
Economic and Environmental Services				
Planning and Development	181 635	181 000	635	0.35%
Road Transport	3 319 501	-	3 319 501	100.00%
Environmental Protection	-	-	-	
Trading Services				
Electricity	1 372 417	1 108 265	264 152	23.83%
Water	612 832	(950 000)	1 562 832	-164.51%
Waste Water Management	441 256	186 100	255 156	137.11%
Waste Management	683 826	-	683 826	100.00%
Other	17 527	-	17 527	100.00%
Total Capital Expenditure	**7 256 770**	**654 365**	**6 602 405**	**1008.98%**

Details of material variances

Refer to note 45 for explanations.

		2014 Actual R	2014 Budget R	2014 Variance R	2014 Variance %
44.3	**Operational Budget by Municipal Vote**				
	Revenue - Vote				
	Executive and Council	509 907	450 829	59 078	13.10%
	Council General Expenses	431 956	417 820	14 136	3.38%
	Municipal Manager	77 951	33 009	44 942	136.15%
	Administration: Corporate	19 257 186	18 700 305	556 881	2.98%
	Administration	18 947 601	18 414 779	532 822	2.89%
	Health Services	(3 908)	-	(3 908)	-100.00%
	Library	(15 255)	2 040	(17 295)	-847.79%
	Offices	328 748	283 486	45 262	15.97%
	Administration: Community	9 374 894	8 481 110	893 784	10.54%
	Properties	121 334	74 532	46 802	62.79%
	Commonage	295 418	267 080	28 338	10.61%
	Cemetery	5 342	5 605	(263)	-4.69%
	Housing Scheme 4	-	-	-	
	Housing Scheme 5	8 975 110	8 133 893	841 217	10.34%
	Fire Brigade	-	-	-	
	Workshop	(22 310)	-	(22 310)	-100.00%
	Administration: Sport & Recreation	1 188 717	1 759 166	(570 449)	-32.43%
	Beaches	-	-	-	
	Caravan Park	1 191 360	1 712 578	(521 218)	-30.43%
	Community Gym	3 075	-	3 075	-100.00%
	Museum	(3 812)	46 588	(50 400)	-108.18%
	Recreational Park	(1 905)	-	(1 905)	-100.00%
	Financial Services	9 580 887	8 881 527	699 360	7.87%
	Administration	1 627 258	955 124	672 134	70.37%
	Assessment Rates	7 953 628	7 926 403	27 225	0.34%
	Infrastructure	25 282 265	35 388 452	(10 106 187)	-28.56%
	Electricity Service	8 354 409	8 748 603	(394 194)	-4.51%
	Refuse Removal	2 441 053	2 695 205	(254 152)	-9.43%
	Roads & Storm water	4 356 208	8 217 682	(3 861 474)	-46.99%
	Sewerage Service	3 966 665	2 432 160	1 534 505	63.09%
	Sport Ground	-	3 042	(3 042)	-100.00%
	Vehicle Testing	-	-	-	
	Water Service	6 163 930	13 291 760	(7 127 830)	-53.63%
	Total Revenue	**65 193 855**	**73 661 389**	**(8 467 534)**	**-11.50%**

	2014 Actual R	2014 Budget R	2014 Variance R	2014 Variance %
Expenditure - Vote				
Executive and Council	(5 670 620)	(6 330 240)	659 620	-10.42%
Council General Expenses	(4 308 686)	(4 994 790)	686 104	-13.74%
Municipal Manager	(1 361 935)	(1 335 450)	(26 485)	1.98%
Administration: Corporate	(15 063 981)	(15 219 813)	155 832	-1.02%
Administration	(13 041 720)	(13 011 820)	(29 900)	0.23%
Health Services	(60 581)	(106 857)	46 276	-43.31%
Library	(1 364 900)	(1 363 393)	(1 507)	0.11%
Offices	(596 780)	(737 743)	140 963	-19.11%
Administration: Community	(10 374 399)	(9 646 557)	(727 842)	7.55%
Properties	(307 173)	(382 560)	75 387	-19.71%
Commonage	(18 047)	-	(18 047)	-100.00%
Cemetery	(24 448)	(26 050)	1 602	-6.15%
Housing Scheme 4	(49 277)	(24 385)	(24 892)	102.08%
Housing Scheme 5	(8 984 698)	(8 144 603)	(840 095)	10.31%
Fire Brigade	(46 099)	(46 010)	(89)	0.19%
Workshop	(944 657)	(1 022 949)	78 292	-7.65%
Administration: Sport & Recreation	(2 787 987)	(2 395 552)	(392 435)	16.38%
Beaches	(76 382)	(80 723)	4 341	-5.38%
Caravan Park	(2 076 617)	(2 109 082)	32 465	-1.54%
Community Gym	(157 224)	-	(157 224)	-100.00%
Museum	(30 833)	(159 631)	128 798	-80.69%
Recreational Park	(446 931)	(46 116)	(400 815)	869.15%
Financial Services	(7 696 354)	(3 078 827)	(4 617 527)	149.98%
Administration	(2 004 043)	(2 978 923)	974 880	-32.73%
Assessment Rates	(5 692 311)	(99 904)	(5 592 407)	5597.78%
Infrastructure	(24 198 001)	(42 250 168)	18 052 167	-42.73%
Electricity Service	(10 649 648)	(12 567 172)	1 917 524	-15.26%
Refuse Removal	(1 779 586)	(1 396 914)	(382 672)	27.39%
Roads & Storm water	(4 765 257)	(13 024 917)	8 259 660	-63.41%
Sewerage Service	(2 111 151)	(2 278 666)	167 515	-7.35%
Sport Ground	(63 828)	(268 569)	204 741	-76.23%
Vehicle Testing	(171 148)	(187 306)	16 158	-8.63%
Water Service	(4 657 383)	(12 526 624)	7 869 241	-62.82%
Total Expenditure	**(65 791 342)**	**(78 921 157)**	**13 129 815**	-16.64%
Surplus/(Deficit) for the year	**(597 487)**	**(5 259 768)**	**4 662 281**	**-88.64%**

Details of material variances

Refer to note 45 for explanations.

		2014 Actual R	2014 Budget R	2014 Variance R	2014 Variance %
44.4	**Capital Expenditure by Municipal Vote**				
	Executive and Council	-	-	-	
	Council General Expenses	-	-	-	
	Municipal Manager	-	-	-	
	Administration: Corporate	622 701	15 000	607 701	4051.34%
	Administration	153 126	15 000	138 126	920.84%
	Health Services	-	-	-	
	Library	36 945	-	36 945	100.00%
	Offices	432 630	-	432 630	100.00%
	Administration: Community	183 640	181 000	2 640	1.46%
	Properties	181 635	181 000	635	0.35%
	Commonage	-	-	-	
	Cemetery	-	-	-	
	Housing Scheme 4	-	-	-	
	Housing Scheme 5	-	-	-	
	Fire Brigade	-	-	-	
	Workshop	2 005	-	2 005	100.00%
	Administration: Sport & Recreation	20 597	47 000	(26 403)	-56.18%
	Beaches	-	-	-	
	Caravan Park	17 527	44 000	(26 473)	-60.17%
	Community Gym	-	-	-	
	Museum	-	-	-	
	Recreational Park	3 070	3 000	70	2.33%
	Financial Services	-	66 000	(66 000)	-100.00%
	Administration	-	66 000	(66 000)	-100.00%
	Assessment Rates	-	-	-	
	Infrastructure	6 429 832	672 000	5 757 832	856.82%
	Electricity Service	1 372 417	554 000	818 417	147.73%
	Refuse Removal	683 826	-	683 826	100.00%
	Roads & Storm water	3 319 501	1 000	3 318 501	331850.10%
	Sewerage Service	441 256	92 000	349 256	379.63%
	Sport Ground	-	-	-	
	Vehicle Testing	-	-	-	
	Water Service	612 832	25 000	587 832	2351.33%
	Total Capital Expenditure	**7 256 770**	**981 000**	**6 275 770**	639.73%

Details of material variances

Refer to note 45 for explanations.

45. BUDGET INFORMATION

45.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.

Explanation of variances greater than 5%: Final Budget and Actual Amounts

Statement of Financial Position

45.2.1 Current Assets

Cash

Increase in Cash and Cash Equivalents.

Call Investment Deposits

Increase due to cash portion of Unspent Grants on year-end.

Consumer Debtors

Decrease due to increase in debt impairment provision.

Other Debtors

Decrease due to decrease in suspense accounts.

Current Portion of long-term receivables

Incorrect budgeting.

45.2.2 Non-Current Assets

Long-term receivables

Decrease due to repayment of outstanding loans.

Intangible Assets

Increae due to acquiring of Intangible Assets.

45.2.3 Current Liabilities

Borrowing

Decrease due to repayment of external loans.

Consumer Deposits

Incorrect budgeting.

Trade and Other Payables

Increase due to Unspent Grants on year-end.

Provisions

Incorrect budgeting.

45.2.4 Non-Current Liabilities

Borrowing

Decrease due to repayment of external loans.

45.2.5 Net Assets

Reserves

Net result of all variances between actual and budget amounts.

Statement of Financial Performance

45.2.6 Revenue

Property Rates - Penalties & Collection Charges

Decrease due to better repayment of rates accounts by consumers.

Service Charges - Electricity Revenue

Actural electricity consumption are less than budgeted.

Service Charges - Water Revenue

Actual water consumption are less than budgeted.

Service Charges - Sanitation Revenue

Actual consumption are less than budgeted.

Service Charges - Other Revenue

Increase in availability fees.

Fines

Decrease in fines received from Provincial Traffic.

Licences and Permits

Increase in licences issued.

Agency Services

Increase in licences issued.

Transfers Recognised - Operational

Budget document completed incorrectly.

Other Revenue

Decrease in sundry income

Gains on Disposal of PPE

Obsolete stock sold.

Transfers Recognised - Capital

Budget document completed incorrectly.

45.2.7 Expenditure

Debt Impairment

Increase in debt impairment due to non-payment by consumers.

Depreciation and Asset Impairment

Incorrect budgeting due to asset register problems.

Finance Charges

Increase in provision for rehabilitation of landfill-site not included in budget.

Contracted Services

Additional services required from service providers.

Transfers and Grants

General Expenditure included under Transfers and Grants.

Other Expenditure

Operating grant expenditure included under Transfers and Grants.

Cash Flow Statement

45.2.8 Net Cash from Operating Activities

Ratepayers and other

Incorrect completion of budget document.

Government - Operating

Incorrect completion of budget document.

Government - Capital

Incorrect completion of budget document.

Interest

Incorrect completion of budget document.

Suppliers and Employees

Incorrect completion of budget document.

Finance Charges

Incorrect completion of budget document.

Transfers and Grants

Incorrect completion of budget document.

45.2.9 Net Cash from Investing Activities

Proceeds on disposal of PPE

Incorrect completion of budget document.

Decrease/(Increase) in Other Non-Current Receivables

Incorrect completion of budget document.

Capital Assets

Incorrect completion of budget document.

45.2.10 Net Cash from Financing Activities

Repayment of Borrowing

Incorrect completion of budget document.

		2014 R	2013 R
46.	**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**		
46.1	**Unauthorised expenditure**		
	Reconciliation of unauthorised expenditure:		
	Opening balance	21 083 426	14 406 899
	Unauthorised expenditure current year - operational	5 581 972	2 219 133
	Unauthorised expenditure current year - capital	6 368 173	4 457 394
	Approved by Council or condoned	-	-
	Transfer to receivables for recovery	-	-
	Unauthorised expenditure awaiting authorisation	**33 033 570**	**21 083 426**

Unauthorised expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings		
Over expenditure of approved operating budget - 2011		*None*	8 326 343	8 326 343
Over expenditure of approved capital budget - 2011		*None*	5 601 856	5 601 856
Over expenditure of approved operating budget - 2012		*None*	48 113	48 113
Over expenditure of approved capital budget - 2012		*None*	430 587	430 587
Over expenditure of approved operating budget - 2013		*None*	2 219 133	2 219 133
Over expenditure of approved capital budget - 2013		*None*	4 457 394	4 457 394
Over expenditure of approved operating budget - 2014		*None*	5 581 972	-
Over expenditure of approved capital budget - 2014		*None*	6 368 173	-
			33 033 570	21 083 426

46.2	**Fruitless and wasteful expenditure**		
	Reconciliation of fruitless and wasteful expenditure:		
	Opening balance	14 017	115
	Fruitless and wasteful expenditure current year	6 331	13 902
	Condoned or written off by Council	-	-
	Transfer to receivables for recovery - not condoned	-	-
	Fruitless and wasteful expenditure awaiting condonement	**20 348**	**14 017**

Fruitless and wasteful expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings		
Interest and Penalties Paid to SARS on late payment of employee tax - R115		*None*	115	115
Interest Paid to Eskom - R13 902		*None*	13 902	13 902
Interest Paid to Creditors - R6 331		*None*	6 331	-
			20 348	14 017

46.3	**Irregular expenditure**		
	Reconciliation of irregular expenditure:		
	Opening balance	32 298 976	22 544 850
	Irregular expenditure current year	-	9 754 126
	Expenditure authorised i.t.o. Section 32 of MFMA	-	-
	Condonement supported by council	-	-
	Transfer to receivables for recovery - not condoned	-	-
	Irregular expenditure awaiting further action	**32 298 976**	**32 298 976**
	Irregular expenditure awaiting condonement from National Treasury	**43 338 403**	**43 338 403**

		2014 R	2013 R

Irregular expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings		
Non compliance with Supply Chain Management Policy - Three written quotations not obtained and incomplete registration forms		*To be investigated*	16 460 016	16 460 016
Non compliance of tenders with Supply Chain Management Policy		*To be investigated*	24 880 494	24 880 494
Non compliance with Supply Chain Management Policy - Supplier in service of state		*To be investigated*	506 874	506 874
Non compliance with Supply Chain Management Policy - Contracts awarded not published on website		*To be investigated*	1 487 349	1 487 349
Non compliance with Supply Chain Management Policy - Deviation not reported to council		*To be investigated*	3 670	3 670
			43 338 403	**43 338 403**

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

47. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

47.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

Opening balance	-	-
Council subscriptions	454 000	404 000
Amount paid - current year	(454 000)	(404 000)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	**-**	**-**

47.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	410 042	
Current year audit fee	2 221 759	1 663 713
Amount paid - current year	(622 378)	(1 253 671)
Amount paid - previous year	(410 042)	-
Balance unpaid (included in creditors)	**1 599 382**	**410 042**

47.3 VAT - [MFMA 125 (1)(c)]

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year. The net of VAT Input Payables and VAT Output Receivables are shown in Note 10.

47.4 PAYE and UIF - [MFMA 125 (1)(c)]

Opening balance	99 429	93 550
Current year payroll deductions	1 630 461	1 579 214
Amount paid - current year	(1 630 461)	(1 479 785)
Amount paid - previous year	(99 429)	(93 550)
Balance unpaid (included in creditors)	**-**	**99 429**

47.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

Opening balance	161 726	151 309
Current year payroll deductions and Council Contributions	3 724 618	3 386 112
Amount paid - current year	(3 719 387)	(3 224 386)
Amount paid - previous year	(161 726)	(151 309)
Balance unpaid (included in creditors)	**5 231**	**161 726**

47.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

None of the councillors had arrear accounts for more than 90 days on 30 June 2014.

None of the Councillors had arrear accounts outstanding for more than 90 days during the year.

47.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

		Type of Deviation			
	Amount	Single Supplier	Impossible	Impractical	Emergency
July	13 745	-	-	3	-
August	107 922	-	-	6	1
September	59 914	-	-	3	-
October	164 760	2	-	7	-
November	92 310	3	-	3	-
December	616 154	23	1	34	1
January	126 896	-	-	4	1
February	62 472	-	-	3	-
March	121 882	-	-	3	1
April	121 784	-	-	5	-
May	160 569	-	-	7	-
June	-	-	-	-	-
	1 648 409	28	1	75	4

	2014 R	2013 R
47.8 Material losses		
Electricity distribution losses		
Units purchased (Kwh)	9 562 799	9 290 606
Units lost during distribution (Kwh)	546 914	2 878 093
Percentage lost during distribution	5.72%	30.98%
Distribution loss (Rand Value)	227 407	1 857 521
Water distribution losses		
Units purchased (ml)	438 390	421 640
Units lost during distribution (ml)	64 306	14 798
Percentage lost during distribution	14.67%	3.51%
Distribution loss (Rand Value)	176 842	118 680
48. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
Approved and contracted for:	10 131 746	4 297 937
Infrastructure	10 106 998	4 297 937
Community	24 749	-
Other	-	-
Total	**10 131 746**	**4 297 937**
This expenditure will be financed from:		
External Loans	-	-
Capital Replacement Reserve	-	-
Government Grants	10 131 746	4 297 937
Own Resources	-	-
District Council Grants	-	-
Total	**10 131 746**	**4 297 937**

49. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

	2014 R	2013 R
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
1% (2013: 1%) Increase in interest rates	44 378	67 636
1% (2013: 1%) Decrease in interest rates	(44 378)	(67 636)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 17 and 18 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2014 %	2014 R	2013 %	2013 R
Non-exchange Receivables				
Rates	100.00%	11 934 927	100.00%	10 035 612
Exchange Receivables				
Electricity	6.09%	2 130 950	5.85%	1 906 706
Water	30.88%	10 806 862	30.86%	10 062 684
Housing Rentals	0.64%	223 175	0.65%	212 222
Refuse	22.64%	7 922 764	22.26%	7 257 567
Sewerage	19.51%	6 826 622	18.88%	6 154 906
Other	20.25%	7 086 528	21.50%	7 011 599
	100.00%	34 996 902	100.00%	32 605 684

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 17 and 18 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2014 %	2014 R	2013 %	2013 R
Non-exchange Receivables				
Rates	25.95%	11 780 193	23.57%	9 626 619
Exchange Receivables				
Services	74.05%	33 611 665	76.43%	31 210 426
	100.00%	45 391 858	100.00%	40 837 046

Ageing of amounts past due but not impaired are as follow:	Exchange Receivables	Non-exchange Receivables
2014		
1 month past due	-	50 271
2+ months past due	-	-
	-	50 271
2013		
1 month past due	515 291	98 298
2+ months past due	-	180 586
	515 291	278 884

Bad debts written-off per receivable class:

	2014 %	2014 R	2013 %	2013 R
Non-exchange Receivables				
Rates	0.11%	51 261	0.08%	32 119
Exchange Receivables				
Services	3.01%	1 368 224	0.26%	104 576
	3.13%	1 419 485	0.33%	136 695

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2014 R	2013 R
Financial assets exposed to credit risk at year end are as follows:		
Long-term Receivables	-	-
Receivables from exchange transactions	34 996 902	32 973 204
Cash and Cash Equivalents	6 576 662	10 397 070
	41 573 564	43 370 274

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

		2014 R	2013 R
(f)	**Concessionary Loans**		
	Financial Institution:	DBSA	DBSA
	Loan number:	102 502	102 502
	Interest Rate:	5.00%	5.00%
	Redeemable Date:	31/03/2014	31/03/2014
	Outstanding Balance:	-	253 909
	Nominal Value:	-	244 468

2014	**Less than 1 year**	**Between 1 and 5 years**	**Between 5 and 10 years**	**More than 10 years**
Long-term Liabilities	1 323 464	1 085 359	-	-
Provision for Rehabilitation of Landfill-sites	6 385 249	1 675 981	1 358 159	
Trade and Other Payables	6 001 241	-	-	-
	13 709 955	2 761 340	1 358 159	-

2013	**Less than 1 year**	**Between 1 and 5 years**	**Between 5 and 10 years**	**More than 10 years**
Long-term Liabilities	1 556 768	2 399 451	-	-
Provision for Rehabilitation of Landfill-sites	5 943 427	1 560 013	2 246 012	-
Trade and Other Payables	7 812 731	-	-	-
	15 312 926	3 959 464	2 246 012	-

		2014 R	2013 R
64.	**FINANCIAL INSTRUMENTS**		

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

64.1	**Financial Assets**	**Classification**		
	Long-term Receivables			
	Housing Loans	Financial Instruments at amortised cost	205 333	225 785
	Receivables from Exchange Transactions			
	Electricity	Financial Instruments at amortised cost	2 130 950	1 906 706
	Water	Financial Instruments at amortised cost	10 806 862	10 062 684
	Housing Rentals	Financial Instruments at amortised cost	223 175	212 222
	Refuse	Financial Instruments at amortised cost	7 922 764	7 257 567
	Sewerage	Financial Instruments at amortised cost	6 826 622	6 154 906
	Other Arrears	Financial Instruments at amortised cost	7 086 528	7 011 599
	Cash and Cash Equivalents			
	Bank Balances	Financial Instruments at amortised cost	269 988	1 039 289
	Call Deposits	Financial Instruments at amortised cost	6 306 674	9 357 780
	Total Financial Assets		**41 778 897**	**43 228 539**
	SUMMARY OF FINANCIAL ASSETS			
	Financial Instruments at amortised cost:			
	Long-term Receivables	Housing Loans	205 333	225 785
	Receivables from Exchange Transactions	Electricity	2 130 950	1 906 706
	Receivables from Exchange Transactions	Water	10 806 862	10 062 684
	Receivables from Exchange Transactions	Housing Rentals	223 175	212 222
	Receivables from Exchange Transactions	Refuse	7 922 764	7 257 567
	Receivables from Exchange Transactions	Sewerage	6 826 622	6 154 906
	Receivables from Exchange Transactions	Other Arrears	7 086 528	7 011 599
	Cash and Cash Equivalents	Bank Balances	269 988	1 039 289
	Cash and Cash Equivalents	Call Deposits	6 306 674	9 357 780
			41 778 897	43 228 539
	Total Financial Assets		**41 778 897**	**43 228 539**

			2014 R	2013 R
64.2	**Financial Liabilities**	**Classification**		
	Long-term Liabilities			
	Annuity Loans	Financial Instruments at amortised cost	1 041 149	1 907 602
	Capitalised Lease Liability	Financial Instruments at amortised cost	1 097 692	1 725 880
	Trade and Other Payables			
	Trade Creditors	Financial Instruments at amortised cost	4 680 049	6 062 006
	Payments received in advance	Financial Instruments at amortised cost	442 488	281 186
	Retentions	Financial Instruments at amortised cost	605 735	1 020 081
	Sundry Deposits	Financial Instruments at amortised cost	5 231	149 879
	Other Creditors	Financial Instruments at amortised cost	267 738	231 314
			8 140 083	11 377 946
	SUMMARY OF FINANCIAL LIABILITIES			
	Financial instruments at amortised cost:			
	Long-term Liabilities	Annuity Loans	1 041 149	1 907 602
	Long-term Liabilities	Capitalised Lease Liability	1 097 692	1 725 880
	Trade and Other Payables	Trade Creditors	4 680 049	6 062 006
	Trade and Other Payables	Payments received in advance	442 488	281 186
	Trade and Other Payables	Retentions	605 735	1 020 081
	Trade and Other Payables	Sundry Deposits	5 231	149 879
	Trade and Other Payables	Other Creditors	267 738	231 314
	Cash and Cash Equivalents	Bank Overdraft	-	-
	Total Financial Liabilities		**8 140 083**	**11 377 946**

65. EVENTS AFTER THE REPORTING DATE

The Municipality is not aware of any events after the reporting date.

66. IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

67. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

68. CONTINGENT LIABILITY

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

Sightfull 1235 CC	12 581 065	12 581 065
N7 Tata Werkswinkel CC	29 128	29 128
Port Lobster	25 000	-
	12 635 193	**12 610 193**

The Categorisation and Job Evaluation Wage Curves Collective Agreement became effective on 1 July 2010. Hereby all employees (excluding Municipal Manager, Section 57 Managers and contractual employees) are to receive new wage rates as a result of their jobs being evaluated as per the TASK Job Evaluation System and published by SALGBC. Qualifying employees will receive back pay for 9 months once a Final Outcome Report is received, as per clause 7.2.6 of the Collective Agreement. Till date, no Final Outcome Report has been received.

69. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

69.1 Related Party Transactions

	Rates	Service Charges	Other	Outstanding Balance
Year ended 30 June 2014				
Councillors				
AM Jansen	9 972	25 520	-	(266)
LR Ambrosini	3 329	15 726	-	2 146
G Beukes	584	3 029	-	-
CF Richter	8 052	8 660	-	(270)
E Hausiku	488	2 302	-	-
T Swartbooi	599	2 116	-	-
R Jonker	3 866	5 486	-	693
	26 890	**62 839**	**-**	**2 302**

	Rates	Service Charges	Other	Outstanding Balance
Municipal Manager and Section 57 Employees				
DA Farmer	619	12 873	-	(3 346)
E Cloete	-	19 197	-	-
H Cloete	287	5 994	-	(213)
S Adams	-	6 932	-	368
IG Valentein	-	6 109	-	(91)
	906	**51 104**	**-**	**(3 283)**

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

69.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

69.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 29 to the Annual Financial Statements.

69.4 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

Councillor/Staff Member	Entity	2014 R	2013 R
M Losper	EC Losper	245 885	40 209
L Cloete	MC Cloete	17 000	27 510
L Phillips	D Forbes	11 810	25 560
		274 695	**93 279**

70. FINANCIAL SUSTAINABILITY

Management is of the opinion that will municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.

12. PROPERTY, PLANT AND EQUIPMENT

12.1 30 JUNE 2014

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Housing R	Total R
Carrying value at 1 July 2013	39 961 433	56 540 229	10 706 773	1 632 714	3 548 331	271 476	112 660 955
Cost	46 433 374	97 944 807	15 509 576	2 691 517	9 219 936	583 200	172 382 411
Original Cost	46 433 374	97 944 807	15 509 576	2 691 517	9 219 936	583 200	172 382 411
Accumulated Depreciation and Impairment Losses	(6 471 940)	(41 404 578)	(4 802 804)	(1 058 803)	(5 671 606)	(311 724)	(59 721 456)
Original Cost	(6 471 940)	(41 404 578)	(4 802 804)	(1 058 803)	(5 671 606)	(311 724)	(59 721 456)
Acquisitions	334 886	893 953	-	-	168 064	-	1 396 902
Capital under Construction	-	5 475 498	-	-	-	-	5 475 498
Depreciation	(209 209)	(2 679 504)	(576 709)	(355 261)	(621 482)	(6 432)	(4 448 596)
Normal Depreciation	(209 209)	(2 679 504)	(576 709)	(355 261)	(621 482)	(6 432)	(4 448 596)
Backlog Depreciation previously not recorded					-		-
Carrying value of disposals	-	313 364	-	-	(38 760)	-	274 604
Cost	-		-	-	(6 209)	-	(6 209)
Accumulated Depreciation	-	313 364	-	-	(32 550)	-	280 813
Carrying value at 30 June 2014	40 087 110	60 543 540	10 130 063	1 277 453	3 056 153	265 044	115 359 363
Cost	46 768 259	104 314 258	15 509 576	2 691 517	9 381 790	583 200	179 248 601
Original Cost	46 768 259	104 314 258	15 509 576	2 691 517	9 381 790	583 200	179 248 601
Accumulated Depreciation and Impairment Losses	(6 681 149)	(43 770 718)	(5 379 513)	(1 414 064)	(6 325 638)	(318 156)	(63 889 238)
Original Cost	(6 681 149)	(43 770 718)	(5 379 513)	(1 414 064)	(6 325 638)	(318 156)	(63 889 238)

12.2 30 JUNE 2013

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Housing R	Total R
Carrying value at 1 July 2012	40 688 554	44 897 166	9 996 905	1 603 927	4 475 470	278 486	101 940 509
Cost	46 433 374	84 059 314	14 179 246	2 616 663	9 199 250	583 200	157 071 047
Original Cost	42 278 306	83 173 312	14 179 137	2 894 884	8 917 137	583 200	152 025 975
Correction of Error - Note 39.3	4 155 068	886 003	109	(278 221)	282 113		5 045 072
Accumulated Depreciation and Impairment Losses	(5 744 820)	(39 162 148)	(4 182 340)	(1 012 736)	(4 723 780)	(304 714)	(55 130 538)
Original Cost	(4 690 545)	(39 034 268)	(4 175 458)	(586 869)	(5 347 725)	(304 714)	(54 139 579)
Correction of Error - Note 39.3	(1 054 275)	(127 880)	(6 883)	(425 866)	623 945	(0)	(990 958)
Acquisitions	-	1 195 052	1 330 331	74 854	433 837	-	3 034 073
Capital under Construction	-	12 690 441	-	-	-	-	12 690 441
Depreciation	(228 877)	(2 242 430)	(620 463)	(46 068)	(1 207 821)	(7 010)	(4 352 669)
Normal Depreciation	(228 877)	(2 242 430)	(620 463)	(46 068)	(1 207 470)	(7 010)	(4 352 318)
Correction of Error - Note 39.3	-	-	-	-	(351)	-	(351)
Impairment losses	(498 244)	(355)	-	-	(153 155)	-	(651 755)
Cost	-	-	-	-	(413 150)	-	(413 150)
Accumulated Depreciation	(498 244)	-	-	-	259 995	-	(238 249)
Change in Provision for Rehabilitation Cost - IGRAP 2	-	(355)	-	-	-	-	(355)
Carrying value at 30 June 2013	39 961 433	56 539 873	10 706 773	1 632 714	3 548 331	271 476	112 660 600
Cost	46 433 374	97 944 807	15 509 576	2 691 517	9 219 936	583 200	172 382 411
Original Cost	46 433 374	97 944 807	15 509 576	2 691 517	9 219 936	583 200	172 382 411
Accumulated Depreciation and Impairment Losses	(6 471 940)	(41 404 578)	(4 802 804)	(1 058 803)	(5 671 606)	(311 724)	(59 721 456)
Original Cost	(6 471 940)	(41 404 578)	(4 802 804)	(1 058 803)	(5 671 606)	(311 724)	(59 721 456)

APPENDIX A
RICHTERSVELD MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2013	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2014
ANNUITY LOANS								
DBSA	10.00%	101910	31/12/2015	1 653 694	-	-	(612 545)	1 041 149
DBSA	5.00%	102502	31/03/2014	253 908	-	-	(253 908)	-
Total Annuity Loans				1 907 602	-	-	(866 453)	1 041 149
LEASE LIABILITY								
Office Equipment		Various	30/04/2017	269 751	-	-	(84 795)	184 956
Vehicles		Various	31/03/2017	1 407 791	-	-	(505 158)	902 633
Data Contracts		Various	30/09/2014	48 338	-	-	(38 234)	10 104
Total Lease Liabilities				1 725 880	-	-	(628 188)	1 097 692
TOTAL EXTERNAL LOANS				3 633 482	-	-	(1 494 640)	2 138 841

APPENDIX B

RICHTERSVELD MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

GENERAL FINANCE STATISTIC CLASSIFICATIONS

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
5 647 287	(6 158 078)	(510 790)	Executive & Council	509 907	(5 670 620)	(5 160 713)
11 239 645	(8 915 925)	2 323 720	Budget & Treasury Office	9 580 887	(7 696 354)	1 884 533
26 341 067	(9 440 604)	16 900 463	Corporate Services	17 770 915	(14 018 437)	3 752 479
3 979	(375 592)	(371 613)	Planning & Development	121 334	(307 173)	(185 839)
44 862	(61 051)	(16 188)	Health	(3 908)	(60 581)	(64 489)
1 603 909	(1 402 644)	201 265	Community & Social Services	1 458 379	(1 438 228)	20 151
13 674	(36 766)	(23 092)	Housing	8 975 110	(9 033 975)	(58 865)
91 241	(214 248)	(123 007)	Public Safety	-	(217 247)	(217 247)
2 413 565	(2 963 014)	(549 450)	Sport and Recreation	1 521 277	(3 002 179)	(1 480 902)
-	-	-	Environmental Protection	-	-	-
2 258 348	(1 619 789)	638 559	Waste Management	2 441 053	(1 779 586)	661 467
2 212 158	(1 603 561)	608 597	Waste Water Management	3 966 665	(2 111 151)	1 855 514
2 660 272	(10 941 871)	(8 281 599)	Road Transport	4 333 897	(5 709 913)	(1 376 016)
5 677 987	(5 068 567)	609 420	Water	6 163 930	(4 657 383)	1 506 547
8 760 586	(10 950 896)	(2 190 311)	Electricity	8 354 409	(10 088 515)	(1 734 106)
68 968 579	(59 752 604)	9 215 975	Sub Total	65 193 855	(65 791 342)	(597 487)
-	-	-	Less Inter-Departmental Charges	-	-	-
68 968 579	(59 752 604)	9 215 975	**Total**	65 193 855	(65 791 342)	(597 487)

APPENDIX C
RICHTERSVELD MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
MUNICIPAL VOTES CLASSIFICATIONS

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
			Executive and Council			
4 937 826	(4 680 520)	257 306	Council General Expenses	431 956	(4 308 686)	(3 876 730)
709 461	(1 477 557)	(768 096)	Municipal Manager	77 951	(1 361 935)	(1 283 984)
			Administration: Corporate			
27 679 170	(9 440 604)	18 238 566	Administration	18 947 601	(13 041 720)	5 905 881
44 862	(61 051)	(16 188)	Health Services	(3 908)	(60 581)	(64 489)
(10 168)	(1 319 972)	(1 330 139)	Library	(15 255)	(1 364 900)	(1 380 155)
1 388 644	(713 008)	675 636	Offices	328 748	(596 780)	(268 033)
			Administration: Community			
3 979	(375 592)	(371 613)	Properties	121 334	(307 173)	(185 839)
276 616	(39 429)	237 187	Commonage	295 418	(18 047)	277 371
3 285	(18 432)	(15 147)	Cemetery	5 342	(24 448)	(19 106)
-	(18 405)	(18 405)	Housing Scheme 4	-	(49 277)	(49 277)
13 674	(18 361)	(4 687)	Housing Scheme 5	8 975 110	(8 984 698)	(9 588)
-	(46 464)	(46 464)	Fire Brigade	-	(46 099)	(46 099)
(22 730)	(983 890)	(1 006 621)	Workshop	(22 310)	(944 657)	(966 967)
			Administration: Sport & Recreation			
-	(83 193)	(83 193)	Beaches	-	(76 382)	(76 382)
1 026 722	(1 992 718)	(965 996)	Caravan Park	1 191 360	(2 076 617)	(885 257)
-	(148 491)	(148 491)	Community Gym	3 075	(157 224)	(154 149)
(3 929)	(24 811)	(28 740)	Museum	(3 812)	(30 833)	(34 645)
(1 801)	(16 448)	(18 249)	Recreational Park	(1 905)	(446 931)	(448 837)
			Financial Services			
4 071 420	(3 229 930)	841 490	Administration	1 627 258	(2 004 043)	(376 785)
7 168 225	(5 685 995)	1 482 230	Assessment Rates	7 953 628	(5 692 311)	2 261 317
			Infrastructure			
8 760 586	(10 950 896)	(2 190 311)	Electricity Service	8 354 409	(10 649 648)	(2 295 240)
2 258 348	(1 619 789)	638 559	Refuse Removal	2 441 053	(1 779 586)	661 467
2 683 002	(9 957 980)	(7 274 978)	Roads & Stormwater	4 356 208	(4 765 257)	(409 049)
2 212 158	(1 603 561)	608 597	Sewerage Service	3 966 665	(2 111 151)	1 855 514
-	(9 156)	(9 156)	Sport Ground		(63 828)	(63 828)
91 241	(167 784)	(76 543)	Vehicle Testing	-	(171 148)	(171 148)
5 677 987	(5 068 567)	609 420	Water Service	6 163 930	(4 657 383)	1 506 547
68 968 579	(59 752 604)	9 215 975	Sub Total	65 193 855	(65 791 342)	(597 487)
-	-	-	Less Inter-Departmental Charges	-	-	-
68 968 579	(59 752 604)	9 215 975	**Total**	65 193 855	(65 791 342)	(597 487)

APPENDIX D
RICHTERSVELD MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2013	Correction of Error	Restated Balance 30 June 2013	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2014	Unspent 30 June 2014 (Creditor)	Unpaid 30 June 2014 (Debtor)
National Government Grants											
Equitable Share	-	-	-	11 210 000	-	-	(11 210 000)	-	-	-	-
Finance Management Grant	-	-	-	1 650 000	-	-	(1 352 417)	(249 027)	48 556	48 556	-
Municipal System Improvement Grant	-	-	-	890 000	-	-	(498 551)	(19 188)	372 261	372 261	-
Municipal Infrastructure Grant	-	-	-	5 192 000	-	-	(1 374 628)	(4 908 899)	(1 091 527)	-	(1 091 527)
Integrated National Electrification Grant	118 078	-	118 078	-	-	-	(118 078)	-	-	-	-
Total National Government Grants	**118 078**	**-**	**118 078**	**18 942 000**	**-**	**-**	**(14 553 673)**	**(5 177 114)**	**(670 709)**	**420 818**	**(1 091 527)**
Provincial Government Grants											
Library	202 298	-	202 298	693 000	-	-	(712 686)	-	182 612	182 612	-
Accelerated Infrastructure Programme	-	-	-	403 232	-	-	-	(356 166)	47 067	47 067	-
CoGTA (Housing)	372 841	-	372 841	10 386 677	32 487	-	(8 960 315)	-	1 831 690	1 831 690	-
CoGTA (Flood Damage Kuboes)	185 263	-	185 263	-	-	-	(134 644)	-	50 619	50 619	-
CoGTA (MSP Watermeter)	4 587	-	4 587	-	-	-	(4 587)	-	-	-	-
CoGTA (Sizamile Vegetable)	1 583	-	1 583	-	-	-	(1 583)	-	-	-	-
CoGTA (Water Bulk Supply - Ninham Shand)	261 930	-	261 930	-	-	-	(261 930)	-	-	-	-
Harbour Grant	1 303 631	-	1 303 631	-	-	-	(1 303 631)	-	-	-	-
Expanded Public Works Programme	-	-	-	1 000 000	-	-	(654 360)	-	345 640	345 640	-
Total Provincial Government Grants	**2 332 132**	**-**	**2 332 132**	**12 482 909**	**32 487**	**-**	**(12 033 736)**	**(356 166)**	**2 457 626**	**2 457 626**	**-**
District Municipality											
Namakwa District Municipality	-	-	-	574 001	-	-	(574 001)	-	-	-	-
Total District Municipality Grants	**-**	**-**	**-**	**574 001**	**-**	**-**	**(574 001)**	**-**	**-**	**-**	**-**
Other Grant Providers											
De Beers	698	-	698	-	-	-	-	-	698	698	-
Total Other Grant Providers	**698**	**-**	**698**	**-**	**-**	**-**	**-**	**-**	**698**	**698**	**-**
Total Grants	2 450 908	-	2 450 908	31 998 910	32 487	-	(27 161 410)	(5 533 280)	1 787 615	2 879 142	(1 091 527)

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.